THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

March 9, 1946

Secretary Byrnes' Speech

AN EDITORIAL

Indusco Returns To Villages

By Jay Martin

Students Protest Govt. Inaction

By Charles J. Canning

League Fate May Save UNO

By Anna Ginsbourg

CONSTANT VIGILANCE

AN EDITORIAL

VOLUME 101 PRICE CNC$300 NUMBER 2

Home of Quality Candies

A B C

TRADE MARK A·B·C· REGISTERED

Candies, Fruit Drops, Toffee, Nougats and Chocolates in fancy boxes. Also *Rabbit* Brand Rolls. - - - -

●

ABC Biscuits, cakes, breads, etc. are made from best quality materials by the most scientific processes. - - -

A B C CONFECTIONERY & BAKERY

Passage 622/House 56 Lin Sen Lu (Central) (*Avenue Joffre*), Shanghai.

Telephone: 85016

OBTAINABLE IN DEPT. STORES AND PROVISION SHOPS

Daltotat Company

Industrial & Pharmaceutical Chemicals

Shanghai—Tientsin
Dalny—Harbin

Head Office:
59 Peking Road
Shanghai

Telephone 18909

Corresp. Offices in New York, San Francisco, London

We have great pleasure in notifying our clients that we have resumed accepting indent orders at favorable conditions.

ANNOUNCEMENT

We take pleasure in announcing
the Re-opening of

THE HOLLYWOOD SHOE SHOP

GROSVENOR GARDENS — 233 RUE CARDINAL MERCIER

A New Shipment of Shoes
has just arrived from U.S.A.

The Central Bank of China

BANKS' BANK

HEAD OFFICE:

CHUNGKING

SHANGHAI OFFICE:

The Bund — Cables: "Governbank"

BRANCHES:

Shanghai	Peiping	Ipin
Hanghsien (Yungkang)	Nanchang	Yaan
Ningpo	Kian	Kiangtsing
Chuhsien	Linchwan	Nankiang
Amoy	Chengchow	Tzeliutsing
Foochow	Kaifeng (Nanyang)	Nanpu
Tsinkiang	Loyang	Mienyang
Nanping	Sian	Loshan
Chienou	Nangcheng	Kwangyuan
Puchen	Lanchow	Santai
Santuau	Tienshui	Ichang
Kulangsu	Kweiyang	Hankow
Canton	Panhsien	Changsha
Swatow	Kunming	Changteh
Kongmoon	Mengtsz	Lingling
Wuchow	Chungking	Hengyang
Kweilin	Chengtu	
Tientsin	Wanhsien	

FOREIGN CORRESPONDENTS:

New York, London, Paris, Geneva and Hongkong

William Hunt & Company

Federal Incorporated, U.S.A.

EXCLUSIVE DISTRIBUTORS FOR

Allis-Chalmers Manufacturing Co. Tractor Division
American Broach & Machine Co.
American Chain & Cable Co., Inc.
Associated Seed Growers, Inc.
The Bahnson Company
Barco Manufacturing Co.
Blackmer Pump Company
Blaw-Knox Co.
Boeing Aircraft Co.
Boeing Airplane Co.
Bruce Macbeth Engine Company
Buckeye Traction Ditcher Co.
The Buda Co.
Buffalo Fire Appliance Co.
Buffalo Forge Co.
Buffalo Springfield Roller Co.
Chain Belt Co.
Chicago Railway Equipment Company
Chase Brass & Copper Company
Cocker Machine & Foundry Co.
The Columbian Vise & Manufacturing Co.
Davis Furber Machine Co.
Dodge Manufacturing Corporation
Ellicot Machine Corporation
Everseal Manufacturing Co., Inc.
Fairbanks, Morse & Co., Inc.
Firestone Tire & Rubber Co.
Foster Wheeler Corporation
French Oil Mill Machinery Company
General Railway Signal Co.
Gruendler Crusher & Pulverizer Co.
H. & B. American Machine Co.
Hanchett Manufacturing Co.
Hersey Manufacturing Co.
Houchin Machinery Co., Inc.
James Hunter Machine Co.
Marion Steam Shovel Co.
Oilgear Co.
The Okonite Co.
Parks & Woolson Machine Co.
Pettibone Mulliken Corporation
Pittsburgh Lectromelt Furnace Corporation
Pullman Standard Car Export Corporation
Railway Truck Corporation
N. Ransohoff, Inc.
Rockford Machine Tool Co.
Salmini Marine Supplies Co.
S. Morgan Smith Company
Southwestern Engineering Company
Sprout, Waldron & Co., Inc.
The Geo. L. Squier Manufacturing Co.
Steel Heddle Manufacturing Co.
Sullivan Machinery Co.
Superior Car Door Company
Alfred Suter Co.
Traylor Engineering and Manufacturing Company
The Vaughn Machinery Co.
The V. & O. Press Co.
Wellman Engineering Co.
Westinghouse Electric International Co.
Whitcomb Locomotive Co.
The White Motor Co.
Williams Oil-O-Matic Heating Corporation
Wood Manufacturing Company

REMINDERS FROM OUR PRINCIPALS

In addition to standard steel buildings, easily and quickly erected, and transportation and road-building equipment of all descriptions, we have facilities for supplying fully equipped textile mills, cement plants, flour mills, hydro-electric plants, and a great variety of machine tools, electrical industrial equipment, diesel and gasoline engines, air-conditioning and refrigerating units, paints and varnishes, rice machinery for plantation use, seeds and concentrated fertilizers.

THROUGH OUR PRINCIPALS

YOU have access to hundreds of engineers whose training covers almost every industry; completely staffed laboratories with modern research facilities; modern factories, machine shops, foundries, tooled and equipped; specialized knowledge in designing and constructing chemical and process plants and equipment; long experience in fabricating products for public utilities, railroads, hydro-electric plants, waterworks, and shipping.

What People Are Saying

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Disappointed

To The Editor:

As one of your readers, I am greatly disappointed with your issue of Feb. 16, 1946. It is not only for the contents of the article "The Red Crisis In China: Will Chiang Go the Way of De Gaulle?" by J. B. Powell and Christopher Emmet, but also for your publishing that article which is not in harmony with most other articles so far you published.

Here I should point out several untrue points written in that article: Firstly, in spite of the present conditions in Kalgan, which is still lacking of reliable information, the writers say that red terrorism "were responsible for the break between Kuomintang and the..... Chinese Communists of that era." As a Chinese with his own eye on that big tragedy, I, and also the most majority of Chinese people, know clearly that it was a terrible "white terrorism" which killed many patriotic young men and also the great revolution of 1925-27.

Secondly, the writers say, "the test of modern Communist is not loyalty to Marx but loyalty to Stalin," I would ask the writers here; why Chinese Communists did fight with Japs far more bravely than Kuomintang troops while Stalin was keeping a friendly relation and signed a friendly treaty with Japan?

Thirdly, I have read the Chinese edition of Mao Tse-tung's "A Discussion of the New Democracy" in Kunming but didn't find such words comparing "democracies, including China, America, and Great Britain, as the bloody military dictatorships of the capitalist class." I hope the writers can show "their" Chinese edition of that work to the readers.

Fourthly, saying that Chinese Communists are anti-American, the writers seem to try to provoke Americans against Chinese Communists and even Soviet Russia. But, I hope the readers will not accept their words, since all their have no ground for any facts. I don't like to mention the miserable incidents since U.S. troop arrival in North China.

But anyhow, China Communist leaders did announce several times of their hearty welcome to U.S. troops to help China to defeat the Japs, and it is a bare fact to every man of common sense, that U.S. troops do no good to China's present civil situation but much good to the reactionary Kuomintang government of dictatorship against the Chinese people.

KEE LOON.

Nanking,
February 20, 1946.

No Difference

To The Editor:

Due to the recent Soviet Russian delay in withdrawing her troops stationed in Northeastern China, a wave of anti-Soviet propaganda sweeps throughout the whole country. Many newspapers publish daily high sounding articles severely attacking Soviet Russia, expressing in outspoken words their extreme hatred of Russia, greater than that of Japan before the war. Soviet Russia didn't withdraw her troops in time from China, but I don't see any sign of the American troops stationed in China doing the same in the near future. Soviet Russia claims that she will give to northeastern part of China "economical cooperation," which they fear as they feared the Japanese cooperation before the war. At the same time, America gives us the same economical assistance, reiterating her "Open Door Policy," but nobody even takes care of it. I really don't see any difference between this and that form of "economical assistance." After the Yalta secret agreement was made public, they concentrated their attacks on Soviet Russia. Evidently these gentlemen will not and dare not attack the other two signatory powers. It goes without saying that we must safeguard our country, and any attempt to infringe upon the integrity of our country will be determinedly objected, but the prejudice against Soviet Russia alone is also undesirable and prevents us from taking the right course to solve impending problems. Of course, there are many politicians who will be extremely rejoiced if they can divert the people's attention from democratic movement by leading a nation-wide anti-Soviet campaign by all means, to the detriment of the progress of our country.

C. K. TSAI

Shanghai,
February 24, 1946.

THE CHINA WEEKLY REVIEW

160 Chung Cheng Road (Eastern)
SHANGHAI

Tel. 14772

SUBSCRIPTION RATES:

	3 *months* CNC$	6 *months*	12 *months*
Local Delivery:	3200		
Outports: (Air Mail) ..	3600		
Abroad:		US$4.50	US$8.00

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
(In the United States, Address:
35 Fifth Avenue, New York, N.Y.)
JOHN W. POWELL, EDWARD KOHRBOUGH,
WALTER H. WIENER, *Financial Editor* F. K. CHAO, *Business Manager*

Index for March 9, 1946

Editorial Paragraphs

Secretary Byrnes' Speech 25
Refugee Factories 25
Constant Vigilance 26

Special Articles

Industrial Cooperatives "To Get Back To The Villages"..*By Jay Martin* 27
Responsibility In War Crimes Upheld; Precedents Cited.....
By Lin Wo-chiang 29
Fear Of Fiasco May Save UNO From League Of Nations Fate.....
By Anna Ginsbourg 31
Railway Construction Urged To Tap Rich Interior Areas.....
By C. Y. W. Meng 33
Kunming Students Indignant As Government Fails To Act.....
By Charles J. Canning 36
Foundation For Trade Laid As New York T. T. Rate Set..... 42

Departments

What People Are Saying 23
News Of The Week 37
Events In Brief 40
People In The News 41
Who's Who In China 41
Business Foot-Notes 43
New Books Of Interest 44

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX OF PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, TELEPHONE 14772, CABLE ADDRESS: "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

Equality?

To The Editor:

After the eight years' war of resistance we are glad to say that extraterritoriality is being abolished in China. Every Chinese has rejoiced that from now on each one of us may stand in the international circle like a man. We will be treated on an equal basis. Freedom and equality are in sight. Furthermore, an international organization the "United Nations" is being established.

It is so obvious that the aim of the "United Nations" is to bring about a real equality among the nations. Each member of the "United Nations" has to share its service and at the same time enjoy its previleges.

Things are getting on contrary to our expectation. Racial prejudice can never be prevented. International peace, eternal peace can never be obtained; war can never be avoided; since there is no real equality at all.

It is more than obvious that UNRRA, a subordinate organization of "United Nations," should treat its staffs of every nationality on the same basis. As a matter of fact, we regret to say, the previleges enjoyed by the European staffs are a hundred times better than the Chinese staffs, who do the same kind of work, and with the same kind of qualifications, if not better, could dream to enjoy. The average Chinese staff in UNRRA can only get a very petty sum of pay which can hardly cover the cigarette expenses of his European colleagues. What is the matter? Is China not a member of the "United Nations?" Are Chinese not human beings? Why such a difference? Equality or slavery?

LANCY LEE.

Hangchow,
February 28, 1946.

Choose Please

To The Editor:

In the February 23 issue of the Review, Chang Kuo-sin blamed the Communists for the delay in reaching a truce. He brought up his arguments in the light of facts. But he admitted that the whole bunch of the Communist delegation had arrived at Chungking on December 17, we want to ask why it took another 24 days for the Kuomintang to be ready for the opening of the PCC on January 10, if the Kuomintang, as Mr. Chang had emphasized, was eager to confer with the Communists. This little fact is enough to tilt over the reasoning and bare the ugly face of Mr. Chang. Gen. Chou En-lai was well grounded when he said that the insincerity on the part of the Kuomintang had prevented an immediate truce between these two factions.

It is an open secret, perhaps alien and new to Mr. Chang, that the "cease-fire" order of the civil war, which Mr. Chang highly praised as "of greatest immediate significance and benefit to the common people in China," after repeatedly refused by Chiang Kai-shek, was concluded under the pressure of the US Presidential Envoy Gen. George C. Marshall who threatened to quit and brought in the joint interference of the United States, the United Kingdom and Soviet Union, if Chiang insisted on his refusal.

As for Ambassador Patrick Hurley, his infamous resignation was the direct result of his reactionary plotting with Chiang Kai-shek to rout the Communists, in that case to fan up the civil war.

And as for you, Mr. Editor, do please make a choice of your materials, don't print anything that happens to come to your hands, falsehood or deliberate misrepresentation.

VAN BRYCE

Shanghai,
March, 2, 1946.

大通銀行
THE CHASE BANK

AFFILIATED WITH
THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

99 NANKING ROAD, SHANGHAI
Telephone 11440

THE NATIONAL CITY BANK OF NEW YORK

The National City Bank
OF NEW YORK
ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD
TELEPHONE: 11500

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917
中華郵政特准掛號認爲新聞紙類
Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China
Vol. 101 Shanghai, Saturday, Mar. 9, 1946 No. 2

Secretary Byrnes' Speech

IN the first clear-cut statement of foreign policy to come from the American Government in some time, Secretary of State James F. Byrnes last week laid down a seven-point list of "must nots" for the world's nations. Unlike the usual indefinite and un-clear State Department utterances to which we have become accustomed, Byrnes plainly "laid it on the line" and left no doubt but that he was talking directly to Russia, whose territorial appetite has daily been growing more insatiable.

As we have said in previous editorials, a definite understanding should have been reached between Russia and the rest of the major powers long before now. We have said that if Russia were given sufficient guarantees of good intent by Britain, China and America, most of the present difficulties would vanish. Until such a "guarantee" is given, the Soviet Union undoubtedly will play power politics and exercise the threat of its great strength upon its neighbors in order to induce the latter to make more and more concessions.

While we do not wish to be accused of adding our voice to those ever ready to yelp about the "Red Menace," we do think that it is time for Russia to lay her cards on the table and cease using one concession as an opening wedge for obtaining another.

We certainly recognize that Russia has a large interest in Manchuria, but we feel that this interest was recognized by the terms of the Yalta Pact. The subsequent stripping of Manchurian factories is clearly an extra-legal act that amounts to simple stealing. No doubt Russia will take the position that she cannot afford to leave industries with a high war potential in an area of such proximity without some guarantee that these industries will not be used to arm an unfriendly power. Such assurances certainly could be given easily and quickly by China and America. If America would admit Russia as a full partner in the governing of Japan, thereby assuring Russia that China and the Western Powers have no intention of resurrecting a strong Japan on the former's Asiatic door step, then China and America could demand and expect immediate Russian evacuation of Manchuria. Conversely, as long as Russia is excluded from a full and equal voice in the governing of defeated Japan, we may expect Russian machinations in Manchuria—and perhaps North China—to continue.

Mr. Byrnes' speech seems to us the first step toward the plain, reasonable type of talk which Russia can understand. We hope there will be more of it — along with reasonable guarantees which will safeguard Russian frontiers and legitimate interests.

Refugee Factories

REPRESENTATIVES of the so-called Refugee Factories — the industries which made the long trek to the interior in the early days of the war—are now back in Shanghai attempting to enlist public sympathy for the factory owners who emigrated to the west at the request of the Central Government and who now are facing ruin.

These industrialists all tell the same story; a story of continuous flight from the enemy, of continuous bombings, of production under almost insurmountable handicaps. Today these factories are rapidly becoming bankrupt. The sudden Japanese surrender and the consequent canceling of American and Chinese Government contracts for their expensively-produced products, have brought on an industrial depression of widespread proportions in the interior. This industrial stagnation, pointed out by the Review's Kunming correspondent, Charles J. Canning, (See February 16 issue of the Review) has resulted in the closing of 50 percent of Yunnan's factories since V-J Day and reduced operating schedules for the remaining 50 percent. The same story may be told of other industrial centers of "Free China."

Today these industrialists are resigned to the eventual loss of the majority of their enterprises in the interior; they recognize that their crudely-built, inefficient and costly war-time plants cannot compete with installations in the liberated areas. However, they are now appealing to the government for aid in re-establishing themselves in the coastal industrial regions. They feel that since they heeded the government's call eight years ago and treked to the interior where they underwent the same hardships as did government officials, they should now receive some special consideration.

Specifically they want the government to give them first chance at the confiscated Japanese and puppet factories which are not slated for organization into state enterprises. What's more, they feel that the government should give them easy terms so that they can spread payment for such factories over a several year period. To date they say that the best offer is for 50 percent payment now and the balance within two years. Impoverished by the depression in the interior, most of these would-be purchasers feel that they will require much more lenient terms—at least 10 years, they say.

There is little doubt but what these refugee industrialists rendered invaluable service to China during the long struggle against aggression. It would seem only just for the government to make every effort to aid these industrial

patriots to resume production. If lenient terms are not offered, this group—composed mainly of small industrialists—will be frozen out by the larger industrial groups who are more able to raise funds. The backbone of industry is always the small manufacturer who, although not so well publicized as the large combine, usually produces the bulk of the nation's goods.

The past has proved the folly of allowing all industry to locate in the coastal areas. National defense, as well as planning for the future industrialization and modernization of the interior, should be considered before abandoning the industrial establishments which were built in the hinterland at such great effort and expense.

MAY HE ALWAYS STAY LOCKED IN THE CLOSET

—From the Los Angeles Times

Constant Vigilance

GENERALISSIMO Chiang Kai-shek's recent admonition to the people—made at the Race Course mass rally here last month—that democratic freedoms, once won must be vigilantly guarded, is worthy of the Chinese nation's undivided attention.

Generally well received by the Chinese people and by the rest of the world, the democratic decisions of the Political Consultative Council could not but evoke extreme dissatisfaction among certain elements of China's ruling cliques, whose power—undisputed heretofore—is on the wane. But whose appetites for power decidedly are not.

That there should be such dissidence is obvious. That it must be defeated before a full measure of democracy can become workable in China, is obvious, too. It can hardly be argued that the constant vigilance and united efforts of the Chinese people are required to complete the rout of these reactionary factions.

Yet the great strength of these reactionary elements has yet to show itself, although manifestations of the power they wield over a number of fields of China's domestic life, primarily over education and public opinion, has been clearly demonstrated by the well organized and provocative tendencies of a major portion of the nation's press.

Reactionary forces by their very substance never carry their aims out into the open, but cloak them in sugar-coated slogans intended to arouse the Chinese people on the higher, emotional planes of unreasoning righteousness and patriotism.

Thus, to divert the people's attention from domestic issues—this was rightly pointed out in recent utterances by Shao Li-tze—a violent campaign was raised against the three-power Yalta agreement, although this agreement in no way infringed on China's sovereignty by its very nature of a tentative accord subject to the sovereign approval of the Central Government. Thus, too, demagogic references are being made to a number of factors having no decisive bearing on China's future, but which are well turned to arouse the self-conscious patriotism of the masses.

The success of these campaigns leads to the grim and ominous revelations that the reactionary forces, far from being dormant, occupy strongholds from which the Chinese people are an open mark to their provocative marksmanship, and may well become tools against themselves in the battle for liberation from one-party rule, for democracy and unity.

It must be remembered that reactionary elements do not do battle in the open. They thrive on provocation, on demagoguery, on string-pulling and underhanded politics. This must be held as a constant threat before the eyes of the Chinese public, until the forces of democracy have won the PCC decisions in spirit as well as in letter, until there is one Chinese National Army on vigilant guard of China's geographic and political frontiers.

25 Years Ago in Millard's Review Of The Far East

March 5, 1921.

Opening

At the inauguration ceremony of the Woosung Port Development Administration, Mr. Chang Chien, China's famous industrial promoter, delivered a brief address.

* * *

Loan

Reports from foreign sources state that the Wireless Telegraph Loan Agreement between the Republic of China and the United States, stipulates that an apparatus be installed in Shanghai capable of receiving and sending wireless messages over the World.

10 Years Ago in The China Weekly Review

March 7, 1936.

Fiasco

Headlines: Tokyo Revolt Collapses—Leaders Commit "Harakiri"—Prince Konoye Declines Premiership.

* * *

Willing

Roy W. Howard, head of the United Press, in an interview with Joseph Stalin gathered that Russia was ready to go to war with Japan to preserve the integrity of its political ally the Mongolian People's Republic...

Industrial Cooperatives Urged "To Get BackToThe Villages"

By JAY MARTIN

EARLY in 1938 a group of Chinese and foreigners in Shanghai met to devise ways and means of rebuilding China's industrial bases and of permanently and immediately solving the problem of starving refugee labor. Japanese militarists had already destroyed or expropriated 70 percent of all Chinese factories and workshops, intentionally razing to the ground, looting or taking over any establishment that seemed capable of producing something. The streets of the International Settlement were crowded with hundreds of thousands of skilled factory workers rendered idle and destitute, and this scene was being duplicated elsewhere as city after city fell and destruction spread.

This group of Chinese and foreigners, who came together in secrecy, had to be very discreet as the Japanese were ready to employ violent reprisals against all who did not help the Co-Prosperity scheme. This group formed a committee to develop concrete measures. They debated the problems facing them—how to get the Government to subsidize the removal of big factories from doomed cities, how to set up a new type of factory hidden safely in the vast interior; and how to move skilled workers to set up their own cooperative industries—but it was many weeks before they found influential backers to start their idea rolling. Four months later—on August 5, 1938—the Chinese Industrial Cooperatives was formally inaugurated in Hankow. It adopted as its slogan the Chinese term "Kung Ho," meaning "Work Together."

Captured Cities Denuded

The original administrative committee consisted of Dr. H. H. Kung, Chairman; K. P. Liu, Secretary-General; Frank Lem, Chief Engineer and head of the Technical Section, with C. F. Wu as his assistant; and Lu Kuang-mien, Director of Northwest Headquarters. Chief Advisor to this body was Rewi Alley, the New Zealander.

After the fighting at Shanghai had ceased at the end of 1937, the Japanese army had permitted outsiders to inspect the battle areas in the Chinese part of the city. Rewi Alley was among the first to view the ruins and what he saw was a picture he has never forgotten. Evidences of wholesale destruction lay everywhere. Whole blocks were full of twisted, ruined machinery which the Japanese already had earmarked for scrap metal while a good deal of usable machinery was being collected, crated and shipped to Japan.

The original promoters of the CIC who met for the first time in Shanghai included Rewi Alley and it was his seal of approval that really launched the cooperative movement. He arrived in Hankow at the end of June, 1938, and with the support of the Generalissimo's Headquarters, Dr. Kung, Mme. Chiang, the British Ambassador and the Shanghai Committee, set about his first job, that of supervising the removal of industrial machinery up the Yangtze. In August, 1938, Alley and Lu Kuang-mien, already a cooperative organizer of long experience, took a group of refugees and some machinery from Hankow and set out on a long trek to the Northwest, where the first industrial cooperative was set up by Lu Kuang-mien three days after his arrival.

Vast Hinterland Forgotten

Just less than a decade before this event took place, Northwest China was a forgotten hinterland. This vast area, which includes Sinkiang, Chinghai, Ninghsia, Suiyuan, Kansu and Shensi, was remembered only in history books as the cradle of Chinese civilization. In this region sprang up the first ancestors of the Han people. But for tens of centuries life in this area was based on a precarious annual crop, on crumbling mud-houses and cavedwellings in the loess. Of villages sunk in desolation, of moss-covered temples inhabited by apathetic monks, of emperors' mausoleums in valleys, of peasants burdened with intolerable hardships but bowing submissively to a fate as their forefathers for ages had done. Of the smallest lily feet, the longest pigtails, the youngest marriages, the deepest ignorance.

The thousand refugees led by Lu Kuang-mien and Alley entered west Shensi and called a halt at Paochi, a town at the terminus of the Lunghai Railway only a few miles from Sian. The newcomers immediately announced that industry in China must be cooperative, and that inasmuch as the coast cities had been destroyed or seized by the enemy the hinterland provinces now must become the industrial bases of the country. The CIC was prepared to lend money to suitable persons. Skilled workers and refugees were invited to avail themselves of this privilege.

Within a couple of weeks several cooperatives had been set up. The first was a blacksmith's foundry. The second was a group of 30 refugees who got their machines from Sian and went in for stocking-knitting. The third was a soap-and-candle making unit, the members of which went about advertising their wares by beating a drum in the streets of Paochi. The dearth of soap and candles in the town created a big demand. The fourth was a printing plant, the head man an old printer. He obtained a loan from the CIC and started work with seven apprentices. And so it went. By the end of the year there were more than 80 cooperatives in Shensi alone. At the same time the CIC also was organizing co-ops in other parts of the country.

"Guerilla Industry"

The cooperative movement in China was a wartime necessity and a co-op, therefore, was a unit just small enough to be whisked away from one place to another if the Japanese came too close. From time to time other names, such as "guerilla industry," "mobile industrial units" and "industrial rear-line-defense", were used to describe its primary functions. But it was not intended to remain only as such. The original promoters had recommended the cooperative method as being the only solution to the situation that confronted them then, but they also had thought of it also as something that would benefit China when the war was over.

Voluntary cooperation is certainly one of the most revolutionary movements China has ever had, especially in a country where individual and family selfishness and the inability of cliques and groups to work together without jealousy and constant friction have caused many headaches, even to the Chinese themselves. The cooperative movement, with its democratic principles, strikes at the very root of this curse. In any case, the movement is a blueprint for a democratic and constructive China.

Peace Halts Many Units

The end of the war caused many of the cooperatives to close down. Most of them had been filling Government contracts for blankets, shoes, etc. for the common soldier's equipment and the cancellation of these orders had removed the foundations on which their work was built. Moreover, the added economic pressure brought by the end of the war had forced them to finally throw up the sponge mainly because of the lack of extra capital.

Other factors were the lack of interest among financing organizations due to their unwillingness to contribute to a scheme, the principles of which still appear new and strange in most quarters in China; the reluctance of trained and qualified personnel to live and work in the villages; and the poor welcome accorded those who do come out by the existing groups of officials and traders, whose powers had been strengthened as a result of the war, and who look on the peasants as a source of income. All these are obstacles that can only be surmounted by

individuals with a spirit combining both strong initiative and doggedness.

City Vs. Country

The personnel problem is one which has taxed the minds and energies of CIC promoters. University men feel it to be a great sacrifice to go out to the quiet country. It is beyond many to learn how to appreciate it, for their minds are full of other values. They ache for pretty clothes, for graceful companionship, for the ease and glitter of city life on the coast. They also fill the minds of the country people, who are able to leave, with a desire for such things. If they could only bring them together, give them pretty city habits, but get them in the end to some center and lead them to a higher life, then all would be well.

Time has brought the CIC to the crossroads where it must make the transition to a more fully mechanized state to work primarily for the rural areas and to help develop their local industries. For this it needs large amounts of capital—to introduce the changes—and specialized engineers to live and work in the villages to help build up their technique, and new machinery to replace the ones which had seen service throughout the long war.

Country's Needs Great

The tendency of most industrial projects in the Northwest in the past has been to try and build big factories in places where there are no markets. Consequently, they have failed because the people have no way of buying and using the products of these would-be big industries. Goods of high standard were produced for poor people who did not want them and, in the first place, could not afford them. In India, Mahatma Gandhi understood this necessity of producing something that the people wanted and could use when he said: "We use cloth; therefore, we make it."

The need for producing in all the rural areas is as great as ever. Few organizations show any interest in decentralized productive effort. Though there are now less co-ops and promotional centers (at one time there were more than 3000 co-ops in 83 promotional centers all over the country from Inner Central Asia to the Kwangtung coast), an avenue must be found for the ordinary Chinese peasant to create productive potentialities. Otherwise he will remain uncooperative and sit back in his poverty.

Opportunity Beckons

The Chinese hinterland is a spot where the opportunity for developing the cooperative movement is perhaps better than anywhere else in the world. The village is not so hopeless as it seems. There are markets and raw materials around it. Village industry is simpler than all those theories written about it. Its only secret is the result of everybody working—and this means the eradication of idleness in the village—with no overhead—linking up in federations and with the interlinking of the federations themselves to give village industry large-scale buying and selling facilities.

Regarding this, Rewi Alley says: "We aim to get back to the village. The start towards decentralized industry must be made somewhere. The world has to get away from the idea of the spider city absorbing all. We have to get back to real things to preserve our mental health, to enable us to use the scientific discoveries of the new age sanely. Man does not seem to be able to grow mentally healthy in the city where every new pleasure must be a more expensive toy. There we seem to breed the decadent rather than the creative, grow wrong values, instead of the cleaner, more real ones of the country."

The kind of machinery CIC promoters envisage for village industry are small, compact units. In the small industry everyone must put his hands to the wheel, but it needs efficient standardized units, like small oil plants, machine shops, spinning sets, and so on. Rewi Alley predicts that a big fortune awaits anyone producing these units in mass as Henry Ford did his flivver.

Finally, industrial cooperation in China must be tied in with a common program for the regeneration of agriculture and industry in the rural areas. China is made up of thousands of villages in the hinterland, not of coastal cities alone. This unique opportunity to build a democratic and constructive China through the village still exists. But resources and technique must be developed everywhere and benefits distributed equitably among producers and consumers if the mass of the people is to reach a new level of any such plan. The potentialities are immense, and cooperation is but a way to human progress.

Chinese industry as organized on western lines, it has been proved, has been and is unable to release the productive energies of the nation. It has beggared villages, lived on famine and civil wars, and exploited the manpower of the nation.

Racial Tolerance Preached In US

FOLLOWING the racial violence reported frfom Columbia, Tennessee, which resulted on the imposition of curfew, city-wide searches for weapons and arrests by patrolmen and national guardsmen the Federal Council of Churches of Christ has worked out a racial amity program to be announced from some 140,000 pulpits throughout the United States.

The program is based on the necessity of demonstrating the "belief in the worth and dignity of every human being. "The program further called for the inclusion in services of all returning veterans of whatever "creed, race or national origin" and open membership and followship with "no barriers on account of race or national origin."

The doctrine of brotherhood should be demonstrated by standing against discrimination on account of race, creed, or national origin in employment, education, housing, recreation etc. The federation urged the government by petition and other means, to stand for independence or self-government of colonial peoples within a fixed term wherever practicable and in the meantime to "insist upon genuine international trusteeship through the United Nations Organization."

The Federation promulgated a plan for nation-wide race clinics, which, while not presuming to solve the racial problem for all places and times, would be in a position to analyze and solve local inter-racial problems arising in any given community.

TRADE 25 MARK
PLACEMON
A REMEDY FOR DEBILITY, GENERAL ILL HEALTH, Etc.
The New Asiatic Chemical Works, Ltd.
1044 Sinza Road, Shanghai.

浙江興業銀行
NATIONAL COMMERCIAL BANK
230 PEKING ROAD (EASTERN)
TELEPHONE 15666
SHANGHAI
ESTABLISHED 1909

Responsibility In War Crimes Upheld; Precedents Cited.

By LIN WO-CHIANG
(林 我 將)

A perplexing question that often confronts military tribunals in the trials of war criminals is: whether the plea of an order by a superior officer shall be admitted as a defense against the prosecution for violation of the laws of war. According to the principles of Anglo-American jurisprudence, the plea of superior order or command is no defense to an illegal act. The individual is personally responsible for his acts, whether committed under orders or not. This principle is well supported by decisions handed down by both American and British courts in a number of cases, among which the following are the most conspicuous.

The earliest American ruling upon the defense of a superior's order was made by Chief Justice Marshall of the U.S. Supreme Court in 1804, in the *Little v. Barreme* case, in which he said it was the duty of a soldier to execute the lawful orders of his superiors, but that he was personally liable for the execution of an illegal order. Another leading case is that of the *United States v. Jones*, a prosecution for piracy, during the War of 1812. The Circuit Judge rejected the defense of Jones and others that they had merely obeyed their captain's orders, saying:

Repugnant to Reason

"This doctrine of superior order, equally alarming and unfounded....is repugnant to reason, and to the positive law of the land. No military or civil officer can command an inferior to violate the laws of his country, nor will such command excuse, much less justify, the act. Can it be for a moment pretended that the general of an army, or the commander of a ship of war, can order one of his men to commit murder or felony? Certainly not."

The decision of a British court in the *Ensign Maxwell* case explicitly pointed out how blindly obeying illegal orders of higher officers would afford no defense. This case grew out of the Napoleonic wars, in which one of the French prisoners of war in a Scotch jail was killed, and Ensign Maxwell was charged with, and convicted of, murder. His plea that he was merely executing orders of higher officers was rejected by the High Court of Judiciary of Scotland, which held:

"If an officer were to command a soldier to go out to the street and to kill you or me, he would not be bound to obey. It must be a legal order given with reference to the circumstances in which he is placed; and thus every officer has a discretion to disobey an order against the known laws of the land."

In some of the cases cited above, and in a few other cases, e.g., in *Mitchell v. Harmony*, the emphasis seems to have been laid on the point that obeying a superior order to commit an unlawful act was no defense. In *Mitchell v. Harmony* this rule was stated in unmistakable terms by the U.S. Supreme Court: "Upon principle....it can never be maintained that a military officer can justify himself for doing an unlawful act by producing the order of his superior." It must be so; for obedience to superior order is the very essence of military discipline. But this can mean the obedience to all lawful orders only.

It is true that a soldier is put in a difficult position when he has to face a court-martial for disobedience and, possibly, a military tribunal or criminal court later, for committing an unlawful act. It also may be asked how can a soldier know, whether an order is lawful or unlawful. Here it would seem that for the common soldier the objective standard, viz., that he is expected to know or ought to know, whether the ordered act is, or is not, lawful, such as a reasonable man under the circumstances ought to know, may be adopted. As for the officers almost all of them are well informed and instructed in the laws of war. There would be no excuse for pleading ignorance and blind obedience to orders which they knew to be unlawful.

U-Boat Precedent Cited

The opinion given by the German Superior Court at Leipzig, rejecting the plea of superior order in the *Landovery Castle* case, in which two submarine officers were tried for machine-gunning to death helpless lifeboat survivors of a torpedoed Canadian hospital ship during the First World War I, may be taken as further elucidation of the principle under discussion. This is what the court said:

"It is true that according to the Military Penal Code, if the execution of an order in the ordinary course of duty involves such a violation of law as is punishable, the superior officer issuing such an order is liable to punishment if it was known to him that the order of the superior involved the infringement of civil or military law....Military subordinates are under no obligation to question the order of their superior officers, and they can count upon its legality. But no such confidence can be held to exist of such an order is universally known to everybody, including also the accused, to be without any doubt whatsoever against the law.... They should, therefore, have refused to obey. As they did not do so, they must be punished."

Manuals Uphold Orders

Coming back to the principles laid down by the Anglo-American judiciary courts, it must be pointed out that, up to 1914, such principles still prevailed in the British Manual of Military Law and the American Rules of Land Warfare. In 1914, however, the British war manual provides, that "members of armed forces who commit such violations of recogfinized rules of warfare as are ordered by their government or commander cannot be punished by the enemy," (Art. 443)

In the same year a similar provision found its way into the American war manual, which says: "Individuals of the armed forces will not be punished for these offenses in case they are committed under the orders or sanction of their government or commanders."

This departure from the traditional legal policy was, perhaps, actuated by an intention to protect their soldiers should they fall into the hands of the enemy. Some writers, Professor Sheldon Glueck of Harvard, for instance, entertain the fear that the application of this principle of absolute nonliability may render impossible many convictions of Axis war criminals. The writer believes that this need not necessarily follow, the exitsence of such principle in the war manuals notwithstanding.

Courts-Martial Only?

If the writer is not mistaken, these rules in the war manuals are mainly applicable to court-martial cases, if these rules come under the category of statute law. Whereas the majority of war criminal cases would, at least according to Anglo-American military law, come under what is called the "common law of war," and be tried by military commission.

A glance at Art. 13 of the "Instruction for the Government of Armies of the United States in the Field," as prepared by Lieber in 1863, would show that, perhaps, this reasoning is sound. Dealing with questions of Military Law and Military jurisdiction this article, states:

"Military jurisdiction is of two kinds: First, that which is conferred and defined by statutes; second, which is derived from the common law of war. Military offenses under the statute law must be tried in the manner therein directed; but military offenses which do not come within the statute must be tried and punished under the common law of war....In the armies of the United States the first is exercised by court-martial, while cases which do not come within the....jurisdiction conferred by statute on courts-martial, are tried by military commisions."

As these rules were drawn up in 1863, long before the Hague Regulations Respecting the Laws and Customs of War came into existence, it was not surprising that the conventional law of war was not added to the "common law of war."

Manuals Not Supported

Before we dispose of the Anglo-American war manuals, it should be said that, in the first place, a military commission would indeed find itself in an embarassing situation, if the war manuals were the only source of law with which it is obliged to abide. Fortunately, a military commission today has ample resources from which it can draw to fit the circumstances. It has at its disposal the common law of war or customary international law of war, the international conventional law of war, the Hauge Regulations, for instance, and the penal codes of civilized nations, as well as the opinion of reputed authorities on international law.

In the second place, the English authorities generally, with the conspicuous exception of Oppenheim, do not support the provision of the principle of non-liability found in the British or American war manuals of recent years. Thus Hall says: "A belligerent possesses the right to punish persons who have violated the laws of war, if they afterwards fall into his hands."

Phillipson is even more explicit when he asserts that "the contention that a combatant's acts, no matter how heinous, outrageous, or abombinable do not possess a criminal character if they are committed under orders from superior officers—carried to its logical conclusion would lead to ineptitude and absurdity; the successive shifting of responsibility would exculpate every one until he reached the ultimate cause."

Hitler and Hirohito

This was said at the end of World War I. With equal truth today, we may say that if personal liability is not fixed on the individual who violated the laws and customs of war, and is allowed to shift upward, it may in the case of Germany, ultimately reach Hitler, who is no more; in the case of Japan, to the Emperor Hirohito, whom the United Nations perchance, prefer to leave alone.

In the third place, the principles and practices of some other members of the United Nations are in accord with the Anglo-American judicial decisions, and not with that to be found in their war manuals. France, for example, acting on the principle enunciated by her jurists during World War I, rejected all pleas of superior order made by the German prisoners. They were condemned even when they produced conclusive evidence that they acted under order, despite the fact that Art. 64 of the French Penal Code provides that an act committed by a person who has been constrained by force is neither a crime nor a misdemeanor.

All Involved Liable

With reference to the objection raised by this article, the majority of French jurists maintain that every person who has any share in the commission of a criminal act during war—the private soldier who commits it, the officer who delivers the order to him, the commander from whom it emanates and even the Chief of State who is ultimately responsible—may be tried and punished if found guilty.

Of the arguments advanced against applying Art. 64 to the German prisoners, that of Prof. Merignhac of Toulouse was most typical of the spirit of the time, which was to make commission of war crimes a costly proposition, that thereby the dignity of law might be upheld. The extension of this rule to the German prisoners, he points out "would mean that all prosecutions against German prisoners would immediately cease, and at the conclusion of war no action could be taken against those who had not been captured, because they could invoke excuse of constraint; and, as we have indicated, all subordinates and all chiefs, great and small, would escape punishment."

From the French view we now turn to that of the U.S.S.R., another member of the United Nations.

In the Kharkov trials in December, 1943, when some members of the German army were prosecuted for having set fire to peaceful cities and villages, killed the civilian population, etc., N.K. Dunayev, the Russian Public Prosecutor, opposed the plea of superior order in these words. "....since Hitlerite Germany's warfare has the character of large-scale, organized military brigandage, criminal responsibility must be born both by the instigators and perpetrators of crimes, for otherwise the majority of the monstrous crimes perpetrated by Fascist criminals would remain unpunished, inasmuch as the perpetrators would be allowed to cover themselves by the defense of superior orders."

Individual Responsible

To sum up, the brief review of the legal principle and practice of the leading countries of the world here tend to show that there is a general accord on the principle that an individual is responsible for the acts whether committed under order or not. This rule, if sternly enforced now, would have the effect of discouraging ambitious and unscrupulous militarists or politicians from instigating wars of aggression, such as attempted by Hitler and his gang, and preventing the perpetration of atrocities by those in the lower brackets of the armed forces, such as the bloody orgy indulged by the Japanese troops in Nanking at the beginning of the war. For they, both high and low, will be held

Mackay Radio & Telegraph Corporation

Shanghai Office

Announces the reopening of its business office. Customers, old and new, are requested to indicate "Via CGRA-*Mackay*" on their outgoing telegraph forms and thus to assure our prompt attention and service.

OFFICE: 209 SASSOON HOUSE, NANKING ROAD
TELEPHONE 13500

STANDARD VACUUM OIL CO.

MOBILGAS MOBILOIL

and

All other high quality petroleum products

Fear Of Fiasco May Save UNO From League Of Nations' Fate

By ANNA GINSBOURG

(Special Correspondent in England of the China Weekly Review)

YOUR correspondent was accorded the privilege of attending the UNO General Assembly meetings in London and witnessing the birth-pangs of the warless world being delivered from the crippled womb of the 20th century civilization by the joint effort of 51 nations.

The maternity ward where this great act took place is the famous Central Hall, Westminster, the interior of which appropriately was painted all white and the exterior gaily beflagged by multicolored standards of the United Nations. The psychological effect produced by this color contrast, added to the general magnificence of the building, was quite striking and one entered the white solemnity of the Hall, relieved only by the blue insignia of the UNO and scarlet uniforms of "world police," with a thrill of expectation to witness one of those scenes which leave their bearing on history.

The Press Gallery is so favorably situated that it offers a view of the entire Hall, with delegates of 51 nations sitting in alphabetical order at the same time facing the main rostrum with the President's desk in the centre and the speaker's platform right in front of it.

"The Servant Of All"

The writer entered the gallery at the moment when Mr. Trygvie Lie, Norwegian Foreign Minister, elected the first Secretary-General of the United Nations, took his oath. Standing before a full Assembly, with the President, M. Spaak, seated behind him, he declared:

"I, Trygvie Lei, solemnly swear to exercise in all loyalty, discretion and conscience the functions entrusted to me as Secretary-General to the United Nations, to discharge those functions and regulate my conduct with the interest of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Organization."

The President administered the oath in French and his speech was rendered in English by the interpreter. It emphasized the importance of the occasion and when Mr. Lie reappeared on the platform to acknowledge the honor bestowed on him, his voice betrayed deep emotion.

"I am the servant of you all. It will always be my duty to act as a true international officer inspired by the same lofty ideal which has prompted the great leaders in the war in taking the initiative in the creation of the United Nations," said Mr. Lie, his plump, kind face radiating the goodwill that seems to go far beyond his elaborately-worded speech.

Firm Foundation Sought

"Those who gave their lives in order that we may be free, those who lost their homes, those who suffered and still suffer from the consequences of the war, have given us a sacred mandate. That is to build a firm foundation for the peace of the world. We may find difficulties and obstacles ahead of us. But the harder the task, the higher the prize. It is the future of the whole civilized world which is at stake," concludes Mr. Lie, his last words dying in a thunderous applause.

The sun, so precious in London at this time of the year, suddenly sent its rays through the tall windows of the Hall and down on the platform where the high-sounding phrases had just been uttered, and for a moment it seemed one was in an ancient temple, listening to the High Priest being sworn in for his sacred

---

strictly accountable before military tribunals, and given due punishment.

If it is deemed that this measure is far too severe, or even unfair, it must not be forgotten that solemn warning to this effect had been sounded during the war and long before it came to an end. This point was stressed by Mr. Winston Churchill on September 8, 1942, when he publicly declared that "those who are guilty of the Nazi crimes will have to stand up before tribunals in every land where their atrocities have been committed, in order that successive generations of men may say, 'so perish all who do the like again.'"

And on September 26, 1943, the United States Senate unanimously adopted a resolution to the effect that "the dictates of humanity and honorable conduct in war demand that this inexcusable slaughter and mistreatment shall cease and that it is the sense of this Congress that those guilty, directly or indirectly, of these criminal acts shall be held accountable and punished in a manner commensurate with the offenses for which they are responsible."

As a reaction to the Japanese atrocities against British prisoners of war, Mr. Churchill, together with the late President Roosevelt, again proclaimed, on September 26, 1944, that "those having a part in such acts—leaders, subordinates and functionaries—would all be punished."

CONNELL BROS. COMPANY, LTD.

Head Office: SAN FRANCISCO

149 Szechuen Road

Telephone Nos. 16831-16832-16833

Private Exchange to all Departments

金 城 銀 行

KINCHENG BANKING CORPORATION

200 KIANGSE ROAD

SHANGHAI

duties. The audience of some thousands suddenly became as still as death. Even the seasoned diplomats, too well versed in the Machiavellian art of using words as a camouflage for their thoughts, seem to fall prey to the magnetic spell of the moment. It took some time for the interpretor, a paragon of efficiency, to translate Mr. Lie's speech into French. Meanwhile the sun disappeared and the Hall assumed its normal busy grandeur.

Now, one by no means wishes to create the false impression that UNO was a pageant and a triumph of idealism over egotism in international relations. It is neither. So far it has not proved its workability as a machine of world peace, and it is even doubtful whether it embodies a sufficient amount of spiritual enthusiasm to enable it to become what the old League of Nations failed to make itself—the sovereign above nations and states.

Fear of Fiasco General

However, UNO possesses a quality which no international organization has ever possessed. It shows itself not in spontaneous outbursts such as the one just described, but in something even more subtle, in the universally-shared fear of its fiasco. This fear in this atomic age is a powerful constructive factor and a more efficient force than the most elevated idealism.

This particular day of the General Assembly was marked by the settlement of the Persian "crisis." It is true that credit for the settlement could by no means be given to UNO but came about as a result of the internal changes in the Persian Government, but the fact alone that the first case brought before the Assembly was "happily dismissed," to use the expression of the Persian delegate, was enough to inject a certain amount of enthusiasm. The Persian delegation was invited the same day to the Soviet Embassy for a drink, and the issue was finally drowned in a fair amount of Russian vodka.

Initial Success Stimulating

The Greek and Indonesian issues, brought before the Assembly by the Soviet delegation, who have already earned the nickname of the "enfant terrible" of UNO., were discussed in the Security Council. Silver-headed, but youthfully impetuous, Mr. Vishinsky accused Britain of "threatening world peace" by keeping her troops in both countries, causing a fireworks of indignation in British public opinion. This indignation, which found expression in Mr. Bevin's rebuff, brought a note of unusual candor into diplomatic discussions and, although in the case of Indonesia no settlement had been reached at the time of writing, the Greek issue may be said to have been solved within the framework of UNO.

This first success may help UNO to get on its feet. Stimulated by this step, nations should go a long way towards reaching a settlement of controversies between them. With the alternative terrible as it is, peace must be kept at any cost. To doubt UNO's success therefore is to doubt of life itself.

Chinese Give Reception

On January 31, Dr. V. K. Wellington Koo, head of the Chinese delegation to UNO, gave a reception in honor of other delegates to the General Assembly at the Chinese Embassy, 49 Portland Place, London.

Situated in the most aristocratic part of London, the magnificent historic building where Dr. Sun Yat-sen once was held captive by the Empress Dowager was filled by a distinguished crowd of international statesmen, diplomats and members of the press. Cocktails were served, and dozens of different languages were heard in the beautifully furnished rooms, where guests mixed freely and informally.

The Chinese delegation was present *in corpore* as well as the Chinese press. Your correspondent, the only representative of the press in liberated China, was besieged with questions as to conditions during the Japanese occupation of Shanghai.

The function was one of a series of receptions given by the United Nations delegations.

Franco To Be Removed By Peaceful Means

The result of a two-week long agitation on the part of Spanish Republicans, the government in exile and France brought about a joint three-power statement by the United States, France and Britain which proposed the establishment of an interim or caretaker government to succeed the Franco dictatorship.

The statement, however, underlined the fact that the powers had no intention of interfering in the internal affairs of Spain and left it to the people themselves to work out their own destiny. The note accused Franco of repressive measures against the Spanish people in the expression of their political aspirations.

The statement, moreover, promised full recognition to the interim Spanish government, including assistance in solving the country's economic problems.

With the joint statement, the U.S. State Deparment made public the text of 15 documents which revealed the complicity of the Franco regime in Axis affairs. The documents proved Franco's offer of active participation in the war for the establishment of the "new order," a secret agreement with Hitler under which Spain was to resist any entry of the Anglo-American forces into Spanish territory, and a Franco proposal to attack Gibraltar.

The documents published by the State Department were recovered by the American armed forces from German files.

Other sources suggested that the issue be presented to the UNO Security Council when this body convenes March 21.

Earlier in the week, following the closing of the Franco-Spanish border, Moors and civil guards were sent by the Spanish regime to reinforce the frontier zone and were said to be a precaution against the presence of some 150,000 Spanish resistance veterans released from Vichy prisons by the French Government.

HUA FOONG IRON WORKS, LTD.
Experts in
Malleable Iron and Semi-Steel Castings
Mark Trade
MAIN PRODUCTS:—
Valves and Pipe Fittings. Textile Machine Parts, Machine Tools, Automobile and Bicycle Parts.
Orders taken *Inquiries welcome*
Office: Room 312, 176 Shanse Road, Telephone 90532

We have always served the
FINEST CANTONESE FOOD
Today, despite difficulties, we are happy to be able to offer the same high standard of food and service which our patrons tell us have won us friends and a reputation the world over.
雅 SUN YA 新
CANTONESE RESTAURANT
719 Nanking Road - - - Telephone 90080

Railway Construction Needed To Tap Rich Interior Areas

By C. Y. W. MENG

THE writer of this article recently returned from Chungking to Shanghai by the water route. This journey was the most difficult and tiresome he has ever had in his life. Nevertheless, he is still considered a most fortunate man as he thus rejoined his family after eight long years only four months after Japan's unconditional surrender. There are no less than half a million people in Chungking alone most anxiously awaiting transportation to East China, but cannot get away as communications are most difficult and transportation facilities almost unavailable. He is, therefore, convinced that one of the most urgent projects in postwar China is the development of railway communications *from the interior to the coast.*

All who have visited Szechuan know that this province is famous for its fine and sweet oranges, comparable to the "Sunkists" from America. But, strange to relate, Shanghailanders actually are eating "Sunkist" oranges from California. This because it is more convenient and cheaper to import American oranges across the ocean than to transport Szechuan oranges here by water. This illustration, trivial though it may be, well explains that so long as means of transportation are not improved, the free flow of goods in this country is impossible. Thus, the economic development of the country is greatly handicapped.

What is true of the Southwest and East is even more so of the Northwest and East. The vast hinterland of China's Northwest still is "railwayless." With the exception of a few hastily constructed highways in the early stages of our war for the transportation of Soviet war supplies to China, communications in Northwest China remain very difficult.

In the immediate future, China, therefore, should quickly buckle to the development of rail communications. China should at once resume the construction of railways in the Southwest as mapped out and started early in the war but suspended with the outbreak of the Pacific War when construction materials could no longer come to China. China, in addition, immediately should begin the construction of a railway linking the Northwest and East. China must map out the development of her communications not only to connect the interior with the coast, but also to enable Southwest China to reach the Pacific, and East China to reach the Indian coast, all through overland routes across China.

Great Northwestern Railway

The construction of a 2,500-kilometer Great Northwestern Railway starting from Paochi, now an important industrial center in southern Shensi Province, and traversing many of the northwestern provinces, such as Shensi, Kansu, Chinghai and Sinkiang, and thence linking with the Trans-Turk Railway, has been suggested by many Chinese economists and engineers. Such a proposal is quite in conformity with what was proposed by Dr. Sun Yat-sen for the construction of the Chungking-Hweiyuan railway, though there is a slight change in route.

Shortly before he left Chungking, the writer learned with great gratification that the construction of the Chungking-Chengtu Railway, once started but later stopped owing to lack of funds and materials, would soon be resumed. This railway may well be regarded as a "trunk line" in the Southwest. From Chengtu, the Chungking-Chengtu Railway should be extended to Paochi. Eastwardly, the Chungking-Chengtu-Paochi Railway will link with the famous Lunghai Railway to reach Haichow, a sea port in northern Kiangsu. Westwardly, the construction of the Paochi-Tiensui (in Kansu Province) was completed and opened to traffic at the end of 1945. Therefore, what the Chinese communications authorities and engineers should do is to further extend the Paochi-Tiensui line westward to Lanchow, capital of Kansu, and to Tihua, capital of Sinkiang, thus completing a 2500-kilometer Great Northwestern Railway for China.

When the through service between the Lunghai Railway (from Haichow to Paochi) and the Great Northwestern Railway (from Paochi to Sinkiang Province) is open, the whole line will traverse the Asiatic mainland from the East to

PAINTED RATTAN FURNITURES; WILLOW BASKETS IN ALL SIZES; RUGS, MATS AND OTHER STRAW GOODS.

鄧甫記藤柳草器廠

DUN POO KEE & CO.

Manufacturers of Rattan, Willow and Straw Goods
201 Seymour Road, Shanghai—Telephone 35649
For Export Please Cable "DUNPK"

紅人牌

Selected Leaves

Rieftain

Cigarettes

W. M. Waterman's Tobacco Corp.

and Southwest China near the Indian coast by railways traversing the hinterland of China and reaching to the very heart of Burma.

These railways, when completed, will provide China with direct access to the Indian coast, not only from the Southwest but also from other parts of China so that in the event of a blockade by an enemy on the eastern coast, China could still have access to the Indian coast and thus direct communications and contact with the outside world. China has learned one bitter lesson in this war, which is that, not having access to the Indian coast and being blockaded by the enemy on the eastern coast, China was almost completely cut off from the outside world except via the almost insurmountable "Hump."

Some of these lines already have been partially completed; some are under construction; some, the writer learns, are under discussion and planning of communications authorities and experts, and some, however, are still in the imaginary stage. But there are many good reasons which demand the early resumption of railway construction in the Southwest and the immediate construction of a railway in the Northwest. Let us discuss briefly some of these reasons.

First, the Southwest and Northwest represent China's great future. Although this region is essentially "A Land of Planning" for the present, it is destined to become the center of China's heavy and armament industries in the very near future. Many new plants already have been built. The time soon will come when the transportation of heavy machinery and equipment imported from abroad will present a serious problem. Moving such machinery and equipment by highway will be costly and slow. Railways will answer this need.

Secondly, unlike the mountainous southwest, the Northwest is a flat plain, which will greatly facilitate railroad construction. Some Chinese engineers point out that while the cost of building highways in the Northwest is less than that of building highways in the Southwest, the efficiency of transportation by railway in the Northwest will be more than 20 times greater than by highway.

Thirdly, with one northwestern railway in operation, goods could be put on rail at Odessa, Soviet port on the Black Sea, and moved to Alma-Ata on the Trans-Turk Railway, thence to Tihua, (Sinkiang Province) and Lanchow (Kansu Province) and thence to other parts of China. Some experts tell us that transportation costs with China, if that route were used, would be only one-third of the present cost over the highways of the Southwest and Northwest.

Fourthly, China now must take all possible steps to forge closer links with its frontier provinces. This reason alone is important enough to justify the construction of railways without any hesitation to develop rich resources in this vast region.

In the post-war period, what China needs most are better railway communications from the interior to the coast, better mechanical equipment for mines, smelters, electric plants, oil refineries and many other industrial plants in the interior, and also experienced guidance in the coordination of production and trade. While the coast is very important so far as foreign trade is concerned, the interior with its numerous centers of domestic trade and its immense consuming public is no less important. A large amount of raw materials can be obtained there for manufacturing purpose.

Such an economic project will give new hope and new lease of economic life to the nation. Such a gigantic undertaking is tantamount to injecting "new blood" to rejuvenate China.

In the past, industrial plants have been too concentrated in a few coastal cities, such as Shanghai, Tsingtao and Tientsin. Since the war, however, the National Government has moved inland more than 100,000 tons of industrial equipment. It has established electric power plants at a number of interior places to provide factories with a ready supply of electricity. These wartime efforts to develop the vast hinterland in the Southwest and Northwest must be maintained and continued.

Cities, such as Kunming, capital of Yunnan in the Southwest, and Tihua, capital of Sinkiang, and Lanchow, capital of Kansu, in the Northwest, must not be regarded any longer as China's "Back Doors" and be relegated to the background now that the war is over. They are China's "Front

COKE
FOR-DOMESTIC-HEATING
SMOKELESS FUEL
SHANGHAI—COKE—CO.
715 Thibet Road
Tels: 91294, 92598

LORD
MEN'S OUTFITTER
110 KIUKIANG Rd.
PHONE 14372

For Russian Cuisine
at its best
815 Avenue Joffre
870 Bubbling Well Road

INSULMON
(Insulin-Yang's)
A Sterile Aqueous Solution of Crystalline Insulin Hydrochloride For Diabetes Mellitus and Shock Therapy, etc.
Manufactured by
Yang's Chemotherapeutic Institute
1267 Yu Yuen Road, Tel. 21607

Doors" and must be defended.

In fact, the Chinese authorities should spare no effort to develop these cities and others in the hinterland into prosperous industrial and commercial centers to replace and share part of the commercial importance and business prosperity which usually go to such coastal cities as Shanghai, Tientsin and Hongkong in the East and Southeast. China's leaders should plan a change in the political map in the Pacific through the economic development of China's Southwest and Northwest.

It undoubtedly will go down in the annals of railway construction as another "trans-continental railway,"—in this case, a "Trans-Asiatic Continental Railway." When connection with the Trans-Turk Railway is made, it will be possible for travelers to go to Europe from eastern Asia by a land route across China.

To Indian Coast

Through the construction of the Yunnan-Burma and Szechuan-Yunnan and Szechuan-Kweichow railways during the war, the people of Southwest China now can reach the Indian coast. But from Ipin (or Suifu)—the eastern terminus of the Szechuen-Yunnan Railway—a branch line should be constructed to link Naikiang, the heart of the Chungking-Chengtu Railway. Thus, when the Ipin-Naikiang and Chungking-Chengtu Railways are completed, Chungking and Chengtu will be linked with Rangoon by railways.

But this also means that by the Burma - Yunnan - Szechuan - Chungking - Chengtu - Paochi - Lunghai-Great Northwestern Railway, travelers from the Indian coast may reach East China in the East and Europe in the West, all by land routes across China.

The railways from coastal China which go through Chekiang, Kiangsi, Hunan and Kwangsi Provinces should be extended from Liuchow (Kwangsi) to Kweiyang, capital of Kweichow Province. From Kweiyang, another branch line should be constructed to link up with the Szechuan-Yunnan Railway at Hsuanwei, near the Yunnan - Kweichow - Szechuan border. This arrangement will virtually connect East and Southeast China on the Pacific coast

Terrorists Active In Palestine

Jewish demands for unlimited immigration of refugees from Europe into Palestine were last week backed by attacks on airfields, police stations, military outposts and one radar station on Mount Carmel. A considerable number of Royal Air Force planes is reported to have been damaged by terrorists who threw explosives, burned and tommygunned planes parked on five airfields throughout Palestine.

A secret broadcasting station with a "Voice of Israel" identification signal, announced that attacks would continue until all Jewish demands have been met. Other quarters reported that the Jews, particularly the radical Zionist Irgun Zvai Leumi organization, had worked out a detailed plan to achieve their demands. The struggle was to commence with civil disobedience and a general strike, followed by open warfare and a stage of siege. The "Hagana", a secret organization numbering more than 50,000 armed and equipped men, would be organized to continue the revolt.

On the Arab side the request of the Anglo-American inquiry commission for testimony met with compliance from two out of five leaders, among them being el Husseini and Abdul Hadi. Husseini, until recently an exile in Africa, is understood to have advised the Arabs to cooperate with the commission. Three other Arab leaders refused to participate in the inquiry, claiming that the commission was intent on abrogating the 1939 White paper which stipulated the cessation of Jewish immigration and the restriction of land sales to the Jews. Another point of refusal was the assertion that the nationalist and left-wing parties refused to recognize the inquiry on the grounds that "it consists of American members who have no right to interfere in the Palestine question."

EAT AT
Jimmy's
133 Nanking Road
Shanghai
Branch 11-3 Rue Montauban

THE MODERN AGE BOOK STORE
上海新時代書報社
專門代定，代辦，代理發行
各種書報雜誌
Deals in ordering, purchasing and distributing all kinds of newspapers, magazines and periodicals.
Address:
House 6, Lane 287 Kweichow Road,
Shanghai, Telephone: 90810

中央大藥房
CENTRAL DISPENSARY CO., LTD.
Chemists & Druggists
Wholesale and Retail of Pharmaceuticals, Chemicals, Cosmetics & Medical Supplies.
748 NANKING ROAD Telephone 93366

新華信託儲蓄銀行
Sin-Hua Trust & Savings Bank
Head Office:
361 KIANGSE ROAD, SHANGHAI.
TELEPHONE 18109

COMMERCIAL EXPRESS & STORAGE
COMPANY, LIMITED
Trucking • Storage • Lighterage • Customs Brokers
Office:
53 YUEN MING YUEN ROAD — TELEPHONE 16933
Godown:
26 RUE MONTAUBAN — TELEPHONE 83828 & 83600

Kunming Students Indignant As Government Fails To Act

By CHARLES J. CANNING

KUNMING, Feb. 28—Once again, trouble is brewing among Kunming's university students and anything may happen in the near future, it seems

As I had occasion to point out in a previous issue, Kunming's students' strike is over, but the struggle of the students for freedom and democracy has come to stay. There has been a pronounced undercurrent of discontent among the students for some time against what they call the bad faith of the government. The students openly charged the government authorities with going back on the promises that they made as quid pro quo when the students eventually agreed to call off their strike and go back to classes.

It is common knowledge that the students did not end their strike last December until the faculty of the National Southwest Associated University assured the students in writing that the faculty members would resign en bloc if, after the resumption of classes, the government should fail to punish within two months Commissioner of Civil Affairs and No. 1 Kuomintang boss of Yunnan Li Tsung-huang and Yunnan Provincial Garrison Commander Kuan Lin-chen, who ordered the shooting of students.

Indignation Rising

Again on December 12, 1945, Dr. Y. C. Mei, chancellor of the University, in a public statement gave the students to understand that the faculty had already received some kind of guarantee from the government authorities concerning the punishment of the murderers according to law.

More than two months since have elapsed and party boss Li and General Kuan still are at large at Chungking. Several days ago the official Central Daily News Agency reported from Chungking that Li Tsung-huang had been relieved of his principal and concurrent posts in Yunnan only to be promoted to a more important office as secretary-general of the so-called Party and Political Work Preparation Committee of the Supreme National Defense Council. General Kuan is rumored to have been slated for a key post in Sinkiang Province. Needless to say, this constitutes a serious challenge to the sensibilities and pride of the students. The promotion of party politician Li, in particular, is too much for the students and has served only to fan the flames of public indignation and protest.

The February 23rd issue of the Hsioh Sheng Pao, official organ of the Kunming Federation of Student Unions, carried a sharply-worded editorial entitled "We Insist on the Punishment of Murderers" with a sub-heading reading "A Word to the Faculty of the National Southwest Associated University." The edtiorial pointed out that the deadline set for the punishment of Li and Kuan had expired and reminded the professors of their promise to the students. "It is time the professors did something to display their sincerity and good faith and set an example to their students," the editorial urged.

Action Being Discussed

At present widespread discussion is going on among the students as to what action should be taken and some kind of decision will be made in a couple of weeks, it is expected.

Meanwhile, some kind of public opinion poll is being carried out among the professors. The Board of Directors of the Student Self-governing Society of the National Southwest Associated University has addressed a letter and a questionnaire to each professor asking for cooperation in conducting a joint protest. Among the questions listed in the questionnaire were: 1. What do you think of Li Tsun-huang's promotion? 2. How do you feel about the failure of the government to fulfil its promises and what do you propose to do? 3. Are you willing to join your students in protesting?

It is understood that a large number of professors were dissatisfied with the failure of the government to punish the murderers and have expressed themselves in favor of lodging a formal protest with the government demanding an explanation.

Demonstration Held

A monster mass meeting was held on the campus of the National Southwest Associated University on the afternoon of February 17 by local students and writers to celebrate the successful conclusion of the recent Political Consultative Conference and to protest against the February 10 incident in Chungking and against the promotion of Li Tsung-huang.

The most prominent speaker at the meeting was white-haired Chu Fu-chen, elder statesman of the Kuomintang and leading member of the People's Political Council. Amid thunderous applause Mr. Chu said that although old he might be, he would not be the target of revolution.

All speakers called the attention of the audience to the fact that there is still a long and hard road to travel before the beautiful resolutions of the PPC can be carried out in practise and democracy fully established in China.

5 Demands Listed

When the meeting broke up, a demonstration in the street followed. Marching at the head of the demonstration were the well-known playwright Hung Sheng and a group of popular professors. Among the slogans shouted and chalked by the demonstrators were: 1. Immediate shake-up in the government; 2. Immediate release of all political prisoners; 3. Immediate disbanding of the Secret Service; 4. Support President Chiang Kai-shek in carrying out his four promises; 5. Severe punishment of Li Tsung-huang and Kuan Lin-chen.

The demonstration was orderly and there was no untoward incident. The local authorities seem to have learned a lesson from the student strike A high-ranking official of the Provincial Government said to me after the demonstration: "You just let these hot-blooded youngsters and absent-minded professors blow off steam. There will be no harm done."

But professional party functionaries, old-fashioned government officials and hard-boiled army men were complaining that "these misguided youths and starry-eyed professors have gone much too far and it is time that something were done about it."

Double-Dealing Charged

Bearing a refrain to the anti-Soviet and anti-Communist chorus, a group of professors of the National Southwest Associated University on February 23 issued a manifesto protesting against the continued presence in Manchuria of Russian troops which should have left by February, 1946. The full text of the manifesto was published in its entirety by local newspapers which, it may be noted with interest, never bothered to print a single word about the manifesto addressed to the PPC by local professors and writers or any literature issued by the students.

Even so, there has come to my knowledge an unpleasant aftermath to this affair. Immediately after the publication of the document in the press, Professor Hsiang Ta, who had signed the manifesto, found to his surprise that the document as published in the papers was different on some points from the mimeographed draft shown him by Professor Feng Wen-chien, who solicited his signature. Professor Hsiang indignantly issued a public statement withdrawing his signature and demanded an explanation. Of course, this statement was never published in the vernacular press.

The names of many well-known professors were missing in the manifesto. The reason as given in the official Central Daily News was that "the occasion was so urgent and pressing that some professors did not find time to participate."

NEWS OF THE WEEK

Byrnes Says America Will Defend Charter

Secretary of State James F. Byrnes' speech before the Overseas Press Club in which he stated that the United States will use force to defend the United Nations Charter, was interpreted to point to the prolonged withdrawal of Soviet troops both from Manchuria and Iran where the situation had not been clarified to date.

"We have no right to hold our troops in territories of other sovereign states without their approval and consent freely given," was definitely meant to indicate that the presence of United States troops in China was legally founded, whereas the stay of Soviet troops in Manchuria was an infringement on the sovereignity of China which had just emerged as a sovereign nation after a war of resistance.

Marshal Rodion Malinovsky's headquarters in Manchuria, replying to repeated reports in the Chinese press that the Soviets were unnecessarily delaying their stay in the Northeast, declared that almost 90 percent of his troops had already left that area and were still withdrawing, but could not accomplish their withdrawal owing to a number of obstacles. One of these, the headquarters said, was the slow influx of Chinese troops to take over areas left by the Soviets, and since the Chinese Government had repeatedly protested that the Red Army had "left certain points to forces other than Nationalist troops," the Soviet command took cognizance of this fact and had delayed its withdrawal.

Much uncertainty was added to the foggy situation in the Northeast by the silence of the Chinese Government which had thus far failed to clarify the situation either by a direct accusation of Soviet interference or by an explanation of the nature of the discussions now in progress between both sides.

The Chinese press, followed by the United States State Department, asked the Central Government to be informed on the goings on in the Northeast, but to date no official statement could be obtained.

Although no official charge on the stripping of Manchurian industry by Soviet forces was made, American correspondents' reports from the Northeast alleged that that area was "an empty shell, stripped of all machinery and looted beyond repair." These reports called forth an official protest from the United States State Department to Russia that the former would not recognize the removal "of Japanese industrial equipment as war booty."

Meanwhile, General Kovtoun-Stankevitch branded an AP report, stating that he had said that machinery had been removed in accordance with a Big Three agreement, "though he could not remember when or where it had been made," as a falsification.

The New China News Agency declared in Yenan that some "Kuomintang troops were transported to Manchuria for the purpose of repatriating Japanese war prisoners and take over Manchuria from the Soviets But to fulfill plans of attacking local popular forces, they refused to take over Mukden or other areas which Soviet troops were going to evacuate."

Fighting was reported in Jehol and in the area south of Mukden, both sides, the Nationalists and the Communists, charging the other with the violation of the cease-fire agreement.

The deadline for withdrawal of foreign troops from Iran on March 2 saw British forces leave according to schedule, while a partial withdrawal of Soviet forces from certain parts of the country, had also begun Moscow radio, however, announced that some of its forces would be left behind, presumably in the northwest, the troubled Azerbaidjan area, "until the situation has been cleared."

The British Cabinet discussed the possibility of a joint Anglo-American protest to Russia on the prolonged stay of Soviet troops in Iran "despite a Russian promise in the 1942 treaty to withdraw them."

"SO FAR, AND YET—"

Holland in The Chicago Times

Meanwhile, Soviet forces prepared to leave Semnan, Shahrud, and Meshed, the Holy city of Iran, where the body of the prophet is buried. The Soviet commander asked the local population to buy up surplus army stores and promised to hand back all buildings occupied by the Red Army.

Anti-Soviet Sentiment Surges All Over China

OPINION remains divided as to the authenticity of nationwide student demonstrations and parades which sprang up and blossomed in the major cities following the expiration of the deadline on February 1 for the withdrawal of Soviet forces from Manchuria.

The second week of the demonstrative parades, in which slogans carried ranged from "Leave Manchuria" to "We will fight another war to preserve our sovereignty," saw a Soviet dispatch charging that the demonstrations were sponsored by reactionary Kuomintang elements as an anti-Soviet campaign to divert attention from internal problems.

Minister K. C. Wu, replying to this charge, said that the government had nothing to do with the organization of these parades and added that they were expressions of popular patriotic sentiment. The Ta Kung Pao, however, reported the following day that the Canton demonstration had been sponsored by Kuomintang organs in that city and that certain student groups had declined to participate.

Sentiment among local students appeared to be divided on the issue of the anti-Soviet parades. A declaration on the "Present Status in the Northeastern Provinces of China" issued and distributed by students during the demonstration of February 25, signed by the Union of China Scholarship Students, called for the immediate withdrawal of Soviet troops, an investigation into the death of Chang Hsin-fu and a denunciation of the Yalta pact.

A manifesto on the Northeast problem, distributed by another group of students at the same rally called for withdrawal of "Soviet troops, together with all other allied forces from China."

This declaration, signed by the Federation of Shanghai Student Patriots, said the only way of solving the Northeast problem was to "stop the civil war now spreading in Manchuria. Without this condition," the manifesto declared, "the withdrawal of Soviet troops alone cannot settle this problem." It further called on the Government to accept the proposal made by General George C. Marshall and General Chou En-lai that the cease-fire order be extended to the Northeast.

Chinese Communists claimed that the anti-Soviet and anti-

Communist demonstrations were designed by "a fascist reactionary clique, under encouragement and connivance of the government authorities, to divert attention and to sabotage PCC resolutions." They pointed to high government officials expressing sympathy and admiration for the demonstrators.

Apart from the official denial of government connivance issued by Minister K. C. Wu, there was no statement made by the government while the Communists continued to charge official complicity in the manifestations.

Riots Continue In Egypt, Many Killed

THE trouble which started when by British military trucks drove through a peaceful demonstration in Cairo, continued unabated this week with disorders spreading to Alexandria, where 15 Egyptians and two British MP's were killed in street rioting following a "mourning day" demonstration.

Last week, after a proposed three-day student strike was averted by Egyptian Premier Ismail Sidky Pasha with a promise to look into the causes of the incident, students decided to declare a "war of resistance" against "British imperialism by boycotting British goods, the English language and non-fraternization with British troops."

The students demanded that negotiaions for the revision of the 1936 Anglo-Egyptian treaty be started only when all troops had been evacuated from the Nile valley. It is reported that the Egyptian reply to the British demand ofr the preservation of order and punishment of offenders in the riots was based on the foregoing lines and called for the immediate evacuation of all British troops from Cairo and Alexandria, on the ground that this would create a favorable atmosphere for treaty discussions.

The Arab League representative in Cairo, Abdul Bey, announced the league's full support for Egypt in the coming Anglo-Egyptian treaty revision negotiations. He pointed out that Britain, to show her sincerity, should have withdrawn her troops voluntarily as he suggested six months ago in London, without awaiting Egypt's demand "The clash was bound to come," Bey said.

The "day of mourning," while incidentless in Cairo, was marked with riots and shooting in Alexandria. Dezouki Abaza Pasha, Minister of Works, said British troops fired on the demonstrators. More than 300 persons were injured in the melee.

Pearl Smuggling Back In The News In U.S.

THE report carried by the Army Stars and Stripes of this city some time ago saying that two men traveling with Maury Maverick, head of Smaller War Plants Corporation, had been detained by the CID while boarding a plane to return to the States, allegedly with a quantity of cultured pearls from this part of the world, was retracted a few days later.

When questioned in connection with the incident both Army and consular authorities declined to comment, and the retraction of the Army newspaper was interpreted to mean that the report was groundless. Recent reports, however, indicate that Maury Maverick, upon arrival in the United States cabled both General Douglas MacArthur and Lieut. General A. C. Wedemeyer, asking that the two gentlemen involved, Joseph Goldstone and Howard McGowan, be investigated.

Further developments revealed that Charles Murray, son of Senator James E. Murray, head of the Senate Small Business Committee, who traveled with Maverick, had asked the State Department to furnish overseas travel priorities for both Goldstone and McGowan.

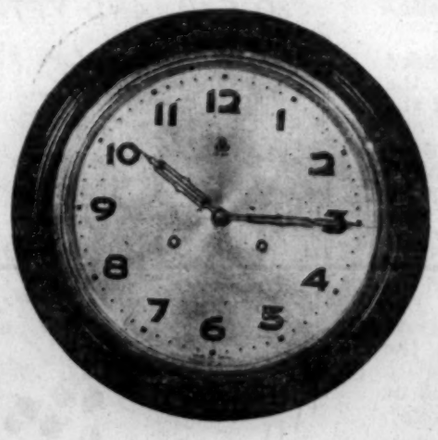
Goldstone, who was taken off an Army plane at the Air Transport Command airport here for having, according to a Scripps-Howard report, an estimated US$25,000 worth of cultured pearls in his possession, happens to be the president of the Imperial Pearl Syndicate of Chicago, New York and San Francisco, and Army authorities here told Maverick that he was charged with an attempt to sew up a US$10,000,000 monopoly in cultured pearls. This, it appears, Goldstone was trying to arrange while traveling as economic consultant to the Senate Small Business Committee. McGowan, although an employee of the Smaller War Plants Corporation, was in China for Senator Murray's Small Business Committee. All this, according to Maury Maverick, went on without his knowledge or consent.

Charles Murray later said that Goldstone, despite the fact that he was traveling on priorities arranged for "an economic consultant," was just a business man looking around. The senator said that the Small Business Committee accepted no responsibility for what either McGowan or Goldstone did in China.

Both local Army and consular officials, when questioned regarding this new development, declined to comment, the Army saying that it had nothing to do with the investigation, which allegedly was being continued by the Consulate. Consular officials, on the other hand, declared that they had no knowledge of the whole affair and suggested inquiry of the Air Transport Command as to whether such an occurrence actually had taken place.

Officials at the Kiangwan Airport suggested to try "diplomatic channels", such as the United States Consulate here.

Maverick's request for a probe into the activities of the two men traveling in an official capacity but doing private business on the way apparently suggests that the initial report carried by the Stars and Stripes was well-founded.



555

OBTAINABLE AT ALL
DEPARTMENT STORES AND CLOCK COMPANIES

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

American News Men Cable Ta Kung Pao

FIVE well-known American writers and publicists who had always supported the National Government, cabled the Ta Kung Pao this week to express their apprehension over the recent developments in the Northeastern provinces.

The message was signed by J. B. Powell, publisher and editor of the China Weekly Review, at present in the United States; Rodney Gilbert, former Shanghai newsman, lately Dean of the Postgraduate School of Journalism in Chungking; Emily Hahn, author of "China to Me" and other books; Alfred Kohlberg, China exporter; and Dr. Maurice William, one of whose books was quoted by Dr. Sun Yat-sen in his famous Canton lectures.

The message urged China's stand against "totalitarian Communist pressure, whether it comes from inside or outside," and added that if the Chinese people will stand firm, the American people will stand with them.

U. S. Citizens Please Note

THE American Association has had repeated requests to supply information regarding the whereabouts of United States citizens. A large pile of mail and parcels has accumulated at its offices addressed to Americans here. This mail cannot be delivered and requests for whereabouts information have to be declined since many people have not yet registered with the Association.

To facilitate the work of the organization and for personal benefits, U.S. citizens are urged to register at their earliest convenience.

"WHERE THERE'S OIL"—

Smith in The Lynchburg News

What U. S. Papers Say...

FRANCO

THE Oakland, California, Tribune declared that the Spanish question should be dealt with by the UNO Security Council. This, according to the paper, is the kind of question the Council should deal with and arrange a truly international settlement. The course taken by the French Government was lauded by the journal which suggested that France be the one to bring this question before the Security Council at the forthcoming session.

To anticipate Latin American support for action against Franco, a French-British-American statement would be of help, but it would lack the strength of a unanimous, international policy.

The Philadelphia Record urged UNO to save Spain. UNO should immediately call a session of the Security Council and declare that the Franco regime is endangering the peace of the world and at the same time use its influence to prevent another civil war in Spain. "Let's end the Nazi fester in Spain, but in a way that will bring world peace."

The New York Times, saying that the Franco dictatorship was not only "antidiluvian, and cruel," but also a sublime stupidity which has wrecked a nation's economy and polluted its social life "in an aimless and shameless greed for power," doubted whether the Spanish situation was "correctly a UNO matter."

The Times pointed to Article 34 of the Charter which provides the right for the council to investigate any "situation which might lead to international friction, but the context indicates that this should only be the case when quarrels between states, not situations within, give cause to such action."

The Times pointed out that the severance of relations with Spain would hurt the "ragged and hungry Spanish people first." The best hope would be for the vast majority of the Spanish people, estimated at 70 percent, with the moral support of the whole world, but without external intervention, to join the ranks of the friendly nations.

* * *

World Hunger

The Times commented on President Truman's invitation of a group of distinguished Americans to Washington for a food conference. The "President's opinion of the food problem," the paper said, "is now so bad that we cannot meet our responsibilities without an aggressive voluntary program on the part of private citizens to reduce food consumption in this country."

The United States, the Times declares, could solve this problem without any real hardship, merely by not wasting food.

Millions of people in Europe and Asia were chronically undernourished, the paper points out, and measured in calories the average American is eating 60 percent more food than the average for 125,000,000 Euorpeans, while for India the contrast is even more spectacular.

The Washington (D.C.) Post declared that the President's cable has brought home to every American the desperate urgency of world hunger. The shipping committment of 6,000,000 tons of wheat to foreign countries during the next six months is behind schedule and the same is true of deliveries to UNRRA. The Government's effort is not enough, the Post said, for "it would only take a slight reduction of the average diet, coupled with a systematic effort to avoid waste, to make possible a considerable increase in food shipments to the famine areas."

The Oakland, Cal., Tribune, said that the results of drought, starvation, "dislocation of population and the destruction of homes and whole areas, have a strong appeal to the humanitarian sympathies of the American people." Americans, the paper added, "we believe, will respond quickly to the appeals to reduce waste and unnecessary food consumption."

Starvation is a direct road to revolution, the Tribune declared, for it is pregnant with unrest, disillusionment and a fever to breed wars. It is fertile with upheavals, uprisings and new dictators. "Human and our own national interests dictate wide popular support for the forthcoming voluntary program of food economy," the Tribune concluded.

* * *

Vandenberg

The San Francisco News, commenting on the speech delivered by Senator Vandenberg, said that he stated with clarity and courage the basic issue which will determine the fate of the United Nations and whether there will be world peace. The Senator thinks there can be genuine understanding between the "two rival ideologies, Soviet Russia and the United States," if Americans will be as "hardboiled for democracy as they are for communism."

Raymond Swing, pointed out that those who expected the Senator to return from London and take leadership in the 'get tough with Russia' school, were disappointed. His speech was a shot for peace and the conviction that there can be no peace that is not based "on mutual understanding between this country and the Soviet Union."

Vandenberg, as the foremost Republican dealing with foreign policy is symbolic of "the measure of the amount of unity there is in our foreign policy."

EVENTS IN BRIEF

The winter in Kansu this year has not yielded the required quota of snow with the result that famine is awaited in that part of the country. While the peasants are preparing for a poor crop, a famine relief committee has been set up in Lanchow. Wheat is scarce, due reportedly, to large army purchases and natural causes.

* * *

All restrictions on newspapers will be lifted within the month of March, according to Minister of Information K. C. Wu, who expressed his agreement with the views of Kent Cooper on the freedom to know and print all news.

* * *

Altogether 1,400,000 Chinese soldiers were killed during the Sino-Japanese war and a nation-wide memorial service will be held on July 7, the anniversary of war's outbreak, to commemorate the fallen.

* * *

British troops were dispatched to the high-walled Northallerton military prison to quell about 70 long-term army convicts who set fire to the main prison buildings and armed themselves with rifles and bayonets.

* * *

The Japanese Communist Party, at its fifth convention in Tokyo last week, listed Emperor Hirohito as Japan's No. 1 War Criminal and charged that his recent "democratic" tours of Yokohama were election campaigning for Japanese reactionary elements.

* * *

Five of the 18 Japanese accused of the torture and execution of three American airmmen shot down near Hankow in December, 1944, received death sentences by hanging from the five-man military commission headed by Brig. General John W. Middleton. Twelve others got prison terms, while one was found not guilty.

* * *

A considerable number of professors and teachers on the staff of the various government universities may resign unless their petition for a salary adjustment, submitted to the plenary session of the Executive Yuan, is considered.

* * *

Rioting French servicemen sacked the plant of the Socialist party newspaper Justice, the home of the paper's political director and his downtown apartment in Saigon, allegedly, for the journal's pro-Annamite attitude and for criticizing the personal conduct of French troops in that city.

* * *

The Communist New China Daily endorsed President Chiang's policy on Manchuria and stressed his appeal to students who have been demonstrating against Russia not to let their emotions supersede reason.

* * *

The United States State Department declared last week that consulates will soon be opened in the cities of Mukden, Harbin and Dairen as soon as practicable.

* * *

Police detachments routed about 3000 CIO strikers and sympathizers from the vicinity of the General Electric Company plant in Philadelphia, in a clash lasting over half-an-hour. The police acted on orders to enforce a court ban on mass picketing.

Delegates of 18 nations met in Brussels last week to divide reparations from Germany, This work will take more than two or three years to accomplish. Russia has been allocated half of Germany's industrial and other capital equipment to be removed.

* * *

The captured German liner "Europa" will not be retained by the United States, after completing the work of returning personnel from the European theater. The vessel will be placed at Bremerhaven, pending final disposition by the inter-Allied Reparations body.

* * *

Stamps to commemorate the merchant marine went on sale in the United States last week. The stamp is issued in a three-cent denomination.

* * *

A treaty of friendship and mutual aid was concluded last week between the Union of Soviet Socialist Republics and the Mongolian People's Republic. An agreement was signed on economic and cultural collaboration. The treaty will be in force for ten years.

* * *

Curfew was imposed in Columbia, Tennessee last week and more than 400 weapons were confiscated by 500 state patrolmen and national guardsmen in house to house searches after 10 persons were wounded and 70 arrested in an outbreak brought about by racial friction.

* * *

The Chinese Navy now has 18 serviceable warships, but 16 more are coming as gifts from the United States and Great Britain, which will be organized into two squadrons upon arrival.

* * *

Shanghai's troubled labor situation was further aggravated last week when workers of seven Chinese newspapers went on strike. However, the number of unemployed laborers in Shanghai applying for relief flour has decreased from 125,550 to 70,000.

* * *

One of the two cases, taken to court as a result of the Chiaochangkou riot of Feb. 10 during a celebration of the success achieved by the Political Consultative Council, was heard at an open trial conducted at the Chungking Experimental Court last week.

* * *

All civil servants returning to Nanking with the government each will be given a two-week furlough to enable them to pay their respects at the tombs of their ancestors.

* * *

Teachers of hsien middle schools will receive the same monthly pay as teachers of provincial schools, it was decided by the Ministry of Education.

* * *

General Kovtun-Stankevich, denying the Associated Press report ascribing to him a statement to American correspondents that Soviet troops, in conformity with a tripartite agreement, had evacuated industrial equipment from Mukden, declared the report was wholly fabricated.

* * *

Reporters of all Foochow newspapers petitioned the Fukien Provincial Government on Feb. 27 demanding freedom to collect news and issued a joint manifesto declaring their readiness to organize a counter-blockade against the authorities in reprisal.

Chengtu Celebrates Successful PCC Meet

A CORRESPONDENT from Chengtu reports on the meeting held by democratically minded residents of that city to celebrate the successful conclusion of the Political Consultative Council session.

Thousands of students from the Ginling, Szechuen, Western Union, Chi Lu and Yenchin Universities gathered at the Hwa Si Pa, bearing banners and shooting firecrackers to express their satisfaction at the work of the Council.

The meeting began at 2 p.m. on a bright and sunny day and thousands, including students, residents, Chinese and foreign teachers of the colleges, stood to listen to the Chairman's speech. The speaker stressed the need for deeds to back up the promises given by China's leaders at the conference. His words, "We require our fundamental rights," were greeted with loud applause.

Following the meet, the participants paraded down the main thoroughfares, escorted by a police detachment to preclude any possible disorders. "Give us the Generalissimo's four promises," "We demand the withdrawal of foreign forces," "Severe punishment to armed rascals" (who broke up the meeting in Chungking,) "Down with the biased Central News," and "Dismiss the secret police," were among the slogans shouted by the procession.

The people, the correspondent points out, felt happy and smiled at each other to denote their extreme satisfaction at the proceedings. "They lived for freedom, not merely to live," he concludes.

People Eat Grass, Bark In W. Hunan

As the result of soaring prices and an acute food shortage, the population in West Hunan is forced to eat grass and bark in many places. Rice has reached the abnormal price of CNC$35,000 per picul, although places like the Pinwu Hsien have been known as the "Rice Store of China."

Chao Heng-ti, Chairman of the Hunan Provincial PPC, declared that while Hunan contributed its maximum rice output of 13,000,000 piculs annually to the war effort, further compulsory army purchases of cheap rice(CNC$40 per catty) have greatly taxed the province's rice supply. The compulsory military purchases of 1,600,000 piculs at the low price, plus an additional 2,000,000 for purposes other than military, have caused prices to soar, Chao said.

Local Governments Grant Large Loans

A total of CNC$16,000,000,000 is reported to have been granted for the promotion of commerce, industry and agriculture by the local democratic governments in the Communist-liberated areas of Central and North China.

Of these sums $300,000,000 was granted in the Shansi-Suiyuan Area, $6,000,000,000 in the Shansi-Hopei-Shantung-Honan Area, $1,500,000,000 in the Kiangsu-Anhwei Area and $2,000,000,000 in Shantung. The exchange rate in the latter province is said to be 10 national currency dollars to one local currency.

Who's Who in China

CHANG LAN, educator and Democratic League Chairman; native of Nanchung, Szechuen; educator and founder of a public school in Nanchung, Szechuen in the last decade of the Manchu

Chang Lan
(張瀾)

dynasty; participated as one of the leaders of the Revolution Movement in Szechuen, 1911; also in the movement overthrowing the Yuan Shih-kai regime, 1915; governor of Szechuen Province, 1917; founder and president of Chengtu University (now National Szechuen University), 1926-31; member of Peoples' Political Council; chairman of Board of Directors of the Chengtu Tse-Huie Tang (Charity Society of Chengtu); chairman of the Democratic League; address: The Democratic League, Chungking, Szechuen.

No Power Revolution In Sight So Far

ALTHOUGH heat can be generated by flying neutrons, and fragments of atoms in a pile can heat a boiler and raise steam for power, American scientists see no revolution in power generation which would vitally affect coal and oil fuel for driving factory motors, trolley cars, vacuum cleaners and lighting lamps.

While some people predicted a revolution in industry and communications to an extent where steamship companies "would loose 40 percent of their revenue," scientists remain sceptical and say that the first and only step so far could be taken in the raising of heat for industrial purposes.

Besides the natural limitation on the supply of pitchblende deposits, from which both uranium and thorium can be obtained, the requirements of the U.S. Army and Navy will act as a damper on the immediate introduction of these elements into industrial use.

Added on top of these two limitations is the consideration of cost: an atomic furnace would cost an estimated US$1,000,000. This factor could pave the way for the use of atomic energy for industrial purposes only where cost is immaterial and is outweighed by special advantages.

PEOPLE IN THE NEWS

MISS ELEANOR M. HINDER, United Kingdom Representative of the UNRRA Technical Sub-Committee on Industrial Rehabilitation and Welfare for the Far East, declared, upon her return from an extensive tour of Burma, Malaya and Hongkong, that the greatest problem facing all nations today is one of supply.

* * *

MAJOR GENERAL LESLIE GROVES, U.S. Army atomic chief, declared that it would take Russia "another generation to develop the atomic bomb despite any data its agents may have obtained from Canada."

* * *

JULIUS A. KRUG, former Chairman of the War Production Board, has been appointed by President Truman as Secretary of Interior to replace Harold Ickes.

* * *

TSUYEE PEI, one of China's foremost foreign exchange bankers, has been appointed by the Executive Yuan as Governor of the Central Bank of China succeeding O. K. Yui, Finance Minister, who resigned.

* * *

JOSEPH STALIN was appointed to head the newly formed People's Commissariat, the result of the merger of all the armed forces of the Soviet Union.

* * *

HAROLD L. ICKES, former Interior Secretary, has signed a three-year contract to write a newspaper column for the New York Post Syndicate.

* * *

SENATOR ARTHUR VANDENBERG, Republican from Michigan, called for a vigorously outspoken American foreign policy that "will match Russia's in firmness."

* * *

CHU TEH, Chinese Communist Commander-in-chief, expressed confidence that the question of Russian participation in Manchuria would be amicably resolved within the framework of the Sino-Soviet Treaty within two months.

* * *

PRIME MINISTER ATTLEE told the House of Commons last week that Britain's Dollar exchange position was "grim" and that even the United States loan would not enable Britons "to lie back and take things easy."

* * *

MISS SARAH GIBSON BLANDING, of Cornell University, has been elected president of Vassar College. She is the first woman to head the institution.

* * *

GENERAL YEH TING, Commander of the Communist New Fourth Army, imprisoned in Chungking since 1933, was set free last week in exchange for the Nationalist army commander, Gen. Ma Fah-wu, recently released by the Communists.

* * *

GENERAL HO YING-CHIN, Commander-in-Chief of the Chinese Army, arrived in Chungking last week to attend the second plenary session of the C.E.C. of the Kuomintang.

* * *

DR. WELLINGTON KOO, Chinese Ambassador to Great Britain, left London last week for China.

* * *

CHIANG WEI-KUO, the Generalissimo's younger son, a returned student from Germany, who recently married a cotton merchant's daughter in Sian, visited Shanghai last week.

LEWIS VALENTINE, former New York City police commissioner, leaving the United States for Tokyo to reorganize the Japanese police force for Gen. MacArthur, said that Japanese policemen must be taught they are the servants of the people.

* * *

DR. SUN FO, President of the Legislative Yuan, visiting Shanghai last week, said at a press conference that China is on her way to real democracy and urged consolidation, cooperation and peace.

* * *

ROBERT HUTCHINS, Chancellor of the University of Chicago, warning that the U.S. Army is trying to perpetuate its military control over atomic energy, said he regards it only as a weapon which would be certain to guarantee war.

* * *

MO TE-HUI, prominent Chinese nonpartisan delegate to the recent Political Consultative Council Conference, will visit Marshal Chang Hsueh-liang in Shifeng, Kweichow province, shortly.

* * *

GENERAL GEORGE MARSHALL, United States special envoy to China, visited Yenan, Communist capital, early this week.

* * *

JAWAHARLAL NEHRU, Indian Congress leader, said last week that the whole system known as colonislism must be terminated, for a variety of reasons.

* * *

AVERELL HARRIMAN, former United States Ambassador to the Soviet Union, said last week he did not believe war with Russia is inevitable, but stressed that "...it depends principally on us."

* * *

DR. A. NUNN MAY, Of King's College, London atomic energy authority, was arrested at the college early this week on a charge of violation of the Official Secrets Act.

* * *

CAPTAIN MICHAEL FRISCH, CID investigator in Tokyo, revealed that one of the four American officers involved in the illegal exchange of US$75,000 for 1,000,000 Japanese yen, gave a "I was just working my way through college" reason for participating in the black market transaction.

* * *

COLONEL SATOSHI ODERA, Commander of Japanese prison camps in Shanghai, told a five-man military tribunal trying Isama Ishihara for brutally beating and torturing U.S. prisoners that he had planned to "dismiss Ishihara, but he was too valuable."

* * *

DR. QUO TAI-CHI, newly-appointed Chinese resident representative to the UNO Security Council, passed through Shanghai on his way to the United States to take up his post.

* * *

GENERAL GEORGE C. MARSHALL, saying that he was satisfied that peace had been generally restored, called on China to undertake in earnest the demobilization and reorganization of its armies.

Foundation For Trade Laid As New York T.T. Rate Set

FINANCIAL highlights of the past few days were provided by the beginning of the new exchange regime in Shanghai and other financial centers in China as outlined in the new regulation promulgated by the Chinese Government on Monday and the report made by Minister of Finance O.K. Yui on the financial policy of China during the present transition period.

Regarding the functioning of the official exchange market, or perhaps more precisely, the outcome of the official regulations of exchange transactions, local and foreign observers agreed that the measures adopted by the Central Bank of China represented a long-needed modification of the highly artificial exchange rates as quoted by official quarters until a comparatively short time ago.

The Central Bank on Monday started to quote a rate for telegraphic transfers on New York of CN$2020. Importers with the necessary documents and proof thus were enabled to transfer U.S. dollars at that rate to New York for legitimate imports.

In New York too a rate on Shanghai was quoted so that to all appearances a foundation for foreign trade has been laid. Regarding importers who must pay for imports from the United Kingdom, conditions were not as clear as in the case of those wishing to pay for American imports inasmuch as the Central Bank quotations referred only to T.T. on New York.

In their case, they must look for local cover, a problem not easy of solution inasmuch as commercial relations with the Sterling Bloc have not yet been wholly clarified. Where they could find some cover, the transaction was based upon the T.T. rate on New York in conjunction with the local cross rate between pounds sterling and U.S. dollars.

Other foreign currencies were dealt with accordingly.

Concerning the second financial feature of the past few days, the report of the Chinese Minister of Finance, one has to say that this report for the first time gave some ikling of the huge sums involved in China's budget. It also confirmed opinions of various experts, such as commentators in the English Economist, that part of China's financial troubles is linked up with budgetary difficulties.

The Minister also admitted the existence of a deficit for the current fiscal year amounting to approximately 25 percent. This deficit, the Minister declared, would be covered by purchase of foreign exchange and reparations payments from Japan.

It stands to reason that the latter means will not amount to much, at least in the immediate future. With regard to the second possibility, the official purchase of foreign exchange, China's foreign trade development will have the last say in the matter.

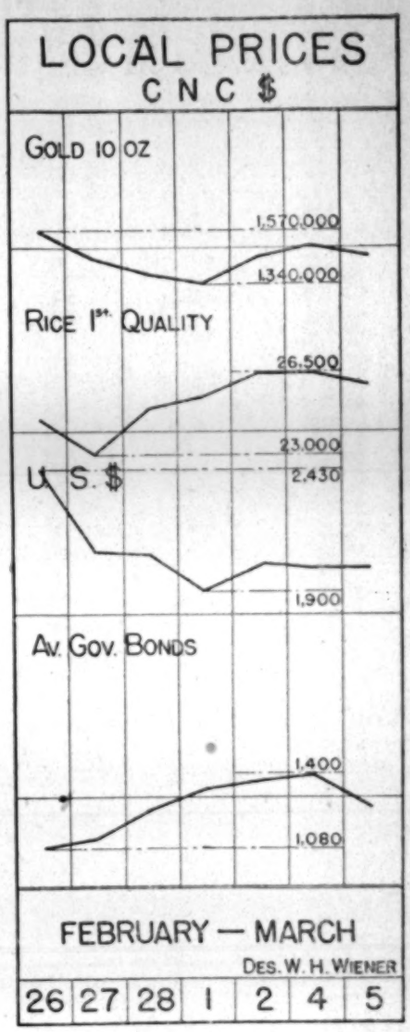
In this respect, the Minister mentioned the general attitude of the Chinese Government with regard to the principal question of foreign trade: free trade or protected trade. He emphasized the fact that China will generally adopt a free trade program, with the exception of infant industries to be protected for the time being.

Another point in the official report also made interesting reading. The Minister mentioned the undoubtedly important role of taxes in China's economic future. In this connection he stated that the future tax policy of China would be directed towards a more favorable distribution of income by the employment of progressive tax methods. Bearing in mind the fact that up to the present the wealthy classes in China have not borne a major share of the common burden, the program as outlined by the Minister rightly mentions a sore point in China's body politic.

Regarding local markets during the past few days, no major developments occurred, with many quotations ruling somewhat erratic. Rice prices, in particular, reacted to rainy weather which usually spells higher quotations.

Considering the fact that rice prices are considered by the broad masses in Shanghai as the most important indicator of purchasing power of the Chinese dollar, control of local rice markets should prove highly beneficial not only to the toiling masses but also to business men and industrialists in general who have to cope with fluctuating price levels and resultant labor troubles.

Gold production in the United States is slowly but steadily increasing, as was reported by the Bureau of Mines which revealed that December production equaled 103,399 ounces compared with 98,328 ounces in November, and a war-time low of 64,441 in January, 1945. Gold is worth approximately US$35 ounce fine.



Local Prices

Following the promulgation of the new exchange rules, local quotations for gold bars and U.S. dollars followed a steady trend, whereas commodities did not immediately react to the stable conditions of the gold bar and U.S. dollar markets. The reason is not difficult to see inasmuch as gold prices and rice quotations cannot be brought into a direct functional relationship. As rainy weather prevailed during the past week and arrivals of this all-important commodity were slow, the market reacted to the supply condition and kept to the higher levels.

中國工鑛銀行

The Industrial & Mining Bank of China

Quick Service—High Interest for Deposits

9 Chung Cheng Road (Eastern) Tels. 82162-82163

U. S. Cotton To Be Exported To Japan

TWENTY five percent of United States cotton exports before the war were absorbed by Japan, amounting to about 1,400,000 bales annually. Japan's 13,000,000 pre-war spindles handled more than 4,000,000 bales of cotton annually. War damage has reduced the number of spindles to an estimated 2,700,000 and with these Japan is expected to handle about 1,400,000 bales of raw cotton in the next 12 months. This practically means that all the cotton to be handled by Japanese mills in the next year will be supplied from United States surpluses.

Today the United States is in need of cotton markets: this commodity has been declared surplus and with a 9,000,000 bale output last year a carryover of 11,000,000 was registered to the new crop year. Home consumption can provide a market for some 9,000,000 bales of the carryover and steps are being taken by the Department of Agriculture for shipment of cotton to Japan.

While primarily designed to alleviate the cotton surplus in that country, the manufacture of textiles in Japanese mills will to some extent lessen the shortage of textile goods throughout the world. An agreement signed between the U.S. Government and the United States Commercial Company calls for the handling of cotton shipments to Japan, their distribution to mills and the sale of textiles as payment for the raw material. The company is to be reimbursed for overhead expenses. The whole procedure will be under supervision by SCAP.

The initial shipment of 50,000 tons of raw cotton is en route to Japan.

* * *

Food Prices Lowered In Soviet Union

SOVIET housewives in cities throughout Russia thronged to the various food stores to enjoy the benefits of food purchases following the announcement of an early abolition of the war-time card rationing system. Besides the early abolition of coupons a general decrease in commodity prices was announced together with larger supplies being available on the market.

The price of bread has been cut down by 58 percent, that of cereals by 53 percent, sugar by 30 percent, cigarettes by 50 percent, and fish and meat by 20 and 15 percent respectively.

Further reductions in these prices are planned in order to eliminate the disparity between the prices of formerly rationed and unrationed goods which differed considerably throughout the war. It is believed that rationing will be abolished altogether when the disparity between these two prices is ironed out.

BUSINESS FOOT-NOTES

U.S. Government experts said last week that Russia emerged from the war still predominant in potential resources and can achieve first place in world mineral production if the successes envisaged in the recent five-year plan are attained.

* * *

The Szechuen Provincial Government has drawn up a plan to divide the province into 11 areas based on their respective resources. 90 new cooperative banks will be opened and their capital increased to CNC$600,000,000. The provincial government has petitioned the Government for a CNC$650,000,000 loan for water concervancy purposes.

* * *

The coal output in the Soviet Donetz Basin is expected to reach 60 percent of its pre-war level. Large mines, whose output exceeds 600,000 tons of coal an nually, will be completely mechanized.

* * *

Following the reconversion of 150 large Soviet factories which supplied the Red Army with clothing and footwear during the war the output of footwear is expected to increase four times and that of knitted goods six times by 1950, as compared with 1945.

* * *

The estimated number of workers involved in the recent China-wide telegraph strike was set at 300,000 by communications officials.

* * *

With an additional CNC$2,000,000,000 to boost its capital, the Chung Hwa Fishery Company will take over all fisheries along the coast originally taken over by the Ministry of Agriculture and Forestry.

* * *

Owing to the unsettled situation prevailing in the Far East, United States silk importers and consumers are looking forward to Italy as a possible source of supply. The Italian output of cocoons is reported however, to be less than half that of pre-war production.

* * *

More than 350,000 of Canton's needy last week presented their coupons at one of the fourteen distributing CNRRA stations in the city to receive an allotment of used clothing, 250 bales of which were sent by Australian citizens via UNRRA.

* * *

The U.S. Department of the Interior is planning oil exploration on the continental shelf adjacent to the United States beyond the three mile limit and the initial cost will be presented to the Budget Bureau soon.

* * *

UNRRA purchased 18 complete fixed steel bridges at a cost of US$374,850 and additional bridge parts costing US$3800 from the Foreign Liquidation Commission last week, for use in restoring war-wrecked highway communications in China.

The Soviet motorcar industry has drawn up plans for the production of 1,000,000 cars and lorries a year by 1950, and compares with 200,000 units produced before the war. The total production will be consumed by the home market.

* * *

Lack of machinery hinders the rapid rehabilitation of the Malay tin mines and the whole process is expected to take more than five years. Singapore tin mining circles urge the speedy importation of machineryy either from the U.K., or the United States.

* * *

Following reports that the Philippine Islands are unable to furnish their annual quota of sugar this year, Cuba is desirous of taking on an additional 22 percent of the quota of 375,000 tons shipped to the United States annually.

* * *

China will get some 73,000,000 yards of UNRRA textiles and another 510,000 bales of cotton, while a loan of US$133,000,000 was recently negotiated from the Import-Export Bank for raw cotton purchases in the United States, most of which will go the this city to reopen local cotton mills.

* * *

An increase of basic steel product prices was announced by the Office of Price Administration last week ranging from US$2 to US$12. This schedule conforms with the new wage-price policy which authorized an average price increase of US$5 per ton for the total output of basic carbon and alloy steel products.

* * *

Good results for last year's Ceylon tea crop were announced by Consolidated Estates (which owns about 4500 acres of tea in Ceylon) at the company's annual meeting. It was stated that in spite of somewhat adverse weather conditions during the latter half of the season, the company harvested a crop of no less than 2,827,571 lbs., an increase of more than 40,000 lbs. over the previous year's record crop.

* * *

While wheat exporting countries can only supply an estimated 12,000,000 tons of the commodity, Europe alone is in need of some 17,000,000 tons up to next July.

* * *

To counteract the rise of commodity prices the Government is planning to raise the monthly pay of government employees. According to a Chungking report, the plan calls for a CNC$40,000 living allowance, plus 130 times the monthly basic pay, while the original figures were CNC$30,000 and 100 times the basic pay. This applies to employees in Tientsin, Peiping, Nanking, Shanghai and Chungking.

We specialize in Chemicals, Drugs, Surgical Instruments and Laboratory Apparatus. We also manufacture soap and glycerine. With world-wide connections we serve as A LINK IN THE CHAIN OF INTERNATIONAL TRADE.

五洲大藥房

INTERNATIONAL DISPENSARY CO., LTD.

Cr. Foochow & Honan Roads
SHANGHAI

Cable "Bloodtonic" Telephone: 19759

NEW BOOKS OF INTEREST

Arbiter

SELECTED SPEECHES AND STATEMENTS OF GENERAL OF THE ARMY GEORGE C. MARSHALL, *Edited and with a foreword by Major H. A. De Weerd.* 259 *pp., Washington, D.C., The Infantry Journal.* US$2.75. *Reviewed by Foster Hailey. (New York Times Book Review).*

ON September 1, 1939, the day Hitler invaded Poland, General (later General of the Army) George C. Marshall became Chief of Staff of the United States Army. Since that date and under his direction that Army has developed into probably the finest military force in the world, surpassed in numbers only by the Red Army of the U.S.S.R. It fought on every front except the Eastern Front against Germany. Its recruitment, development, training and deployment were among the great military achievements of all time. For its deeds General Marshall must get chief credit, as he would have received the blame had his efforts ended in failure.

Through the last six desperate years the Chief of Staff of that army has impressed his personality on the consciousness of his country and the world. He has done this quietly, unostentatiously, and always with the objective of strengthening the Army and increasing its effectiveness. If there was any doubt of that this small volume of forty-eight brief, historic statements by him before Congressional committees and public assemblies through the years 1938-45 should prove the point.

The Chief of Staff of the United States Army holds a position unique among military establishments of the great countries of the world. As professional head of the Army and chief military adviser to the Secretary of the War, he must do more than carry out his duties efficiently. Under our democracy he also must justify them, before Congress and before the people. In addition to being a soldier, therefore, he also must be an astute politician. General Marshall would seem to qualify as both, he probably would be the first to deprecate any rating as an oracle, yet this rating of his public statements up to the attack on Pearl Harbor shows a keen consciousness of the development of history.

The record in this collection of General Marshall's appearances before House and Senate committees is, to the mind of this reviewer, the most important of the lot. They are important because they delineate so clearly the differences between the attitudes of General Marshall and some of our Representatives and Senators. The former was thinking of his country; the latter appeared too often to be thinking of themselves, of the effect on their constituents of what they said, and on their chances for re-election.

This is a record, then, of how one man met his great responsibilities during one of the great periods of crisis for this country and for the world. It is a record written not in retrospect but from day to day through the years as the crisis developed. It would seem to be mandatory reading for future historians of the war and of our democracy.

Indictment

LITTLE SUPERMAN, *By Heinrich Mann, 317 pp., New York, Creative Age Press.* US$2.75. *Reviewed by Richard Watts Jr. (New York Times Book Review.)*

SINCE comic strips are currently more widely read than Nietzsche, it is possible that the publishers of this new edition of Heinrich Mann's old novel, "Der Untertan," made a mistake in issuing it under the title of "Little Superman." In a savage, sardonic way, there is a kind of wry comedy in this bitter tale of the rise of a German insect patriot in the Reich of William the Second. Prophetically written back in 1911, it was a novel of an intensely serious purpose, and the new name may mislead the casual book buyer into thinking it is something else. Originally the work was published in this country as "The Patrioteer"—which is not a good title either, but at least gave the right idea.

What is most striking about "Little Superman" today is its bitter distaste for all things German. There is no talk about good Germans, because Mann hardly grants the existence of good Germans. His central figure, the unspeakable Diederich Hessling, is a loathsome enough character, with his whining and fawning before authority and his arrogant brutality toward those in his power. But bad as he is, he is not the most discouraging point the author has to make about Teutonic character. Hessling is simply an insect among insects. There is some slight virtue in old Buck, the old veteran of '48, but it is a flickering sort of thing at best. The others are thoroughly contemptible in their cowardice, their groveling and their petty selfishness, and not the least worthless are the Radical Socialist labor leader, the progressive editor and the liberal doctor.

It is William II, rather than a Hitler, that is here the leader—sometimes worshiped, sometimes just feared, but always obeyed — dominating these people from behind the scenes, and there is an interesting suggested parallel, as Heinrich Mann sees it. His theory is that nothing impresses the average German more than extravagant, flamboyant histrionism, and that a great part of William Hohenzollern's success with his own people was due to the fact that he was a very elaborate and melodramatic actor. Since the Hitler performance was also of an extravagant school, outmoded in other countries, it may be that Mann provides at least one clue to two men who dominated their nations to the bewilderment of less impressionable lands possessing a greater sense of criticism.

In a vitriolic way "Little Superman" is entertaining as well as provocative, with its often ferociously humorous picture of the supermen in action in the Germany of the Nineties. Heinrich Mann sees his fellow-countrymen as a nation of groveling masochists who, when they are not bullying those below them, are never so happy as when crawling at the feet of the powerful. His indictment is so bitter that it drives one to remember that, after all, Hitler's concentration camps were filled with Germans when some of us were still doing business with him.

司公鏡眼華精
The National Optical Co.
Phone 91224
281 Nanking Road,
SHANGHAI

Tweed
SHIRTMAKERS
MEN'S OUTFITTERS
well known for first class Workmanship
10 Central Road Tel. 10431

CHINA ORTHOPEDIC INDUSTRY
599 Avenue Foch Telephone 73772
(Between Cardinal Mercier & Rte. des Soeurs)
Arch supports for every foot trouble,
Truss Bandages, Spine- and Leg-Braces,
Artificial Limbs, Etc.
SCIENTIFICALLY CONSTRUCTED BY OUR OWN WORKSHOP.
中國科學整形館

房藥大樂康
KANLOH DISPENSARY, LTD.
Commission Agents
Buying and Selling
Drugs, Chemicals, Patent Medicines, Cosmetics, etc.
Wholesale and Retail
You are always welcome
439 Hankow Road Tels. 91138, 92959

High Quality

Aviation Gasolines and Aviation Lubricants, Motor Gasolines, Kerosene, Diesel Oils, Lubricating Oils and Greases, Asphalts and Roofing Materials, and Other Petroleum Products for all purposes.

Embodying all of the refining developments and improvements of the past five years.

THE TEXAS COMPANY (CHINA) LTD.

Main Office—Shanghai

District Offices in Principal Cities in China.

MARK YOUR RADIOGRAMS

"Via RCA"

FOR

DIRECT RADIO TELEGRAPH SERVICE TO ALL THE WORLD

(Cooperating with the Chinese Government Radio Administration)

FOR FREE FORMS APPLY TO

RCA COMMUNICATIONS, INC.

A SERVICE OF RADIO CORPORATION OF AMERICA

Sassoon Arcade, Nanking Road

Tel. 12558

The China Weekly Review

Will Give

FREE

SUBSCRIPTIONS

To Readers Returning* Pre-Pearl Harbor Issues Of Tde Review.

A TWO WEEKS' FREE

Subscription Will Be Given For EACH Pre-Pearl Harbor Issue.

In The Event Complete Volumes Are Returned, An Additional "BONUS" Subscription Will Be Given.

---

* Copies should be sent to The China Weekly Review, 160 Chung Cheng Rd. (eastern) by Registered Mail in order to ensure safe delivery.

百萬金

烟香

W. M. Waterman's Tobacco Corp.

京 滬 線 NANKING SHANGHAI LINE

TIME TABLE

44	24	8	2	4	42	74	6	車次 TRAIN NO.	73	41	43	23	7	1	3	5
4th Class	3rd Class		Exp.	Exp.	2,3 Local	2,3 Local	Night Exp.	站名 STATIONS	2,3 Local	2,3 Local	4th Class	3rd Class		Exp.	Exp.	Night Exp.
1.00	7.00	8.00	9.00	11.00	15.00	18.00	21.00	D 上海 SHANGHAI A	10.45	12.10	13.30	18.40	20.40	16.30	19.35	6.30
2.36	8.39	9.13	10.07	12.12	16.57	19.53	22.33	A 崑山 QUINSAN D	8.45	10.14	11.35	17.01	19.29	15.20	18.13	5.16
2.41	8.42		10.12	12.16	17.10	19.56	22.38	D 崑山 QUINSAN A	8.37	10.10	11.30	16.54		15.15	18.08	5.11
3.41	9.47	10.01	10.56	13.00	18.37	20.52	23.38	A 吳縣 WUHSIEN D	7.29	9.00	10.05	15.50	18.44	14.30	17.23	4.20
4.13	9.56	10.10	11.06	13.15	18.46	21.00	23.50	D 吳縣 WUHSIEN A	7.17	8.54	9.44	15.39	18.35	14.21	17.14	4.11
5.23	11.07	11.01	11.57	14.25	20.02	22.00	0.48	A 無錫 WUSIH D	6.00	7.41	8.30	14.28	17.45	13.31	16.19	3.14
5.43	11.13	11.09	12.05	14.35	20.11		1.00	D 無錫 WUSIH A		7.35	8.19	14.17	17.36	13.23	16.12	3.05
7.03	12.23	12.00	13.02	15.46	21.30		1.58	A 武進 WUCHIN D		6.20	7.05	13.05	16.40	12.27	15.10	2.00
7.22	12.50		13.15	16.00			2.13	D 武進 WUCHIN A			6.30	12.35		12.12	14.54	1.39
8.47	14.49		14.11	17.01			3.19	A 丹陽 TANYANG D			5.05	10.29		11.18	13.39	0.20
8.52	15.00		14.16	17.05			3.24	D 丹陽 TANYANG A			4.54	10.24		11.14	13.34	0.13
9.55	15.55		14.54	17.43			4.10	A 鎮江 CHINKIANG D			3.40	9.30		10.36	12.56	23.17
10.30	16.10		15.07	17.51			4.22	D 鎮江 CHINKIANG A			3.17	9.12		10.25	12.41	23.05
13.10	18.20		16.30	19.25			6.00	A 南京 NANKING D			1.00	7.00		9.00	11.00	21.00

FARE LIST

STATIONS 站名		Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express	
SHANGHAI	上海							
QUINSAN	崑山	52	540.00	720.00	360.00	450.00	180.00	225.00
WUHSIEN	吳縣	86	810.00	990.00	540.00	630.00	270.00	315.00
WUSIH	無錫	129	1,170.00	1,530.00	780.00	950.00	390.00	480.00
WUCHIN	武進	167	1,530.00	1,890.00	1,020.00	1,200.00	510.00	600.00
TANYANG	丹陽	212	1,980.00	2,520.00	1,320.00	1,590.00	660.00	795.00
CHINKIANG	鎮江	242	2,250.00	2,790.00	1,500.00	1,770.00	750.00	885.00
NANKING	南京	311	2,880.00	3,600.00	1,920.00	2,280.00	960.00	1,140.00

滬 杭 線 SHANGHAI HANGCHOW LINE

TIME TABLE

11	61	31	車次 TRAIN NO.	32	12	62
Express	2,3,4 Class	2,3 Class	站名 STATIONS	2,3 Class	Express	2,3,4 Class
7.00	7.50	15.15	D 上海北站 SHANGHAI NORTH A	13.45	19.30	22.35
7.15	8.09	15.35	A 上海西站 SHANGHAI WEST D	13.25	19.15	22.16
7.25	8.19	15.40	D 上海西站 SHANGHAI WEST A	13.20	19.05	22.11
8.14	8.24	16.45	A 松江 SUNGKIANG D	12.12	18.16	21.07
8.19	8.30	16.50	D 松江 SUNGKIANG A	12.07	18.11	21.02
9.30	11.04	18.28	A 嘉興 KASHING D	10.35	17.00	19.35
9.42	11.13	18.40	D 嘉興 KASHING A	10.26	16.45	19.25
10.16	11.51	19.19	A 硤石 HASHA D	9.35	16.14	18.42
10.18	11.54	19.21	D 硤石 HASHA A	9.34	16.13	18.40
10.53	12.39	20.07	A 長安 CHANGAN D	8.51	15.37	17.51
10.55	12.44	20.14	D 長安 CHANGAN A	8.46	15.32	17.46
13.00	14.00	21.30	A 杭州 HANGCHOW D	7.30	14.30	16.30

FARE LIST

STATIONS 站名		Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express	
SHANGHAI	上海							
SUNGKIANG	松江	45	450.00	632.00	300.00	420.00	150.00	495.00
KASHING	嘉興	99	900.00	1,080.00	600.00	690.00	300.00	345.00
HASHA	硤石	125	1,170.00	1,530.00	780.00	960.00	390.00	480.00
CHANGAN	長安	151	1,440.00	1,800.00	960.00	1,140.00	480.00	570.00
HANGCHOW	杭州	190	1,710.00	2,070.00	1,140.00	1,320.00	570.00	660.00

華中鐵路管理委員會

CENTRAL CHINA RAILWAY ADMINISTRATIVE COMMISSION